



## Ephraim Mogale Local Municipality

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# Chapter 1

## PROPOSED REVISED ANNUAL REPORT TEMPLATE

The purpose of this revised Annual Report template is to address the need expressed by a number of municipalities for assistance in the preparation and development of improved content and quality of Municipal Annual Reports. It replaces a template dating back to August 2003.

This template gives effect to the legal framework requirement, concepts and principals espoused in the White Paper on Local Government and Improving Government Performance. It reflects the ethos of public accountability. The content gives effect to information required for better monitoring and evaluation of government programmes in support of policy decision making. The template provides an improved overview of municipal affairs by combining the performance report data required under Municipal Systems Act Section 46 with annual report data referred to in that Act and in the MFMA.

The revised template makes its contribution by forging linkages with the Integrated Development Plan, Service Delivery and Budget Implementation Plan, Budget Reforms, In-year Reports, Annual Financial Statements and Performance Management information in municipalities. This coverage and coherence is achieved by the use of interlocking processes and formats.

The revised template relates to the Medium Term Strategic Framework particularly through the IDP strategic objectives; cross cutting nature of services offered by different spheres of government, municipal service outcome indicators; and the contextual material as set out in Chapters 3, 4 & 5. It also provides information on good management practice in Chapter 4; risk management in Chapter 2; and Supply Chain Management in Chapter 5; and addresses the Auditor-General's Report, dealing with Financial and Performance Management arrangements in Chapter 6. This opens up greater possibilities for financial and non financial comparisons between municipalities and improved value for money.

The revised template provides information on probity, including: anti-corruption strategies; disclosure of financial interests by officials and councillors; disclosure of grants by external parties, disclosure of loans and grants by municipalities. The appendices talk to greater detail including disaggregated information on municipal wards, among others.

Notes are included throughout the format to assist the compiler to understand the various information requirements. Once the draft has been finalised, training will be provided to facilitate the implementation of this initiative, and separate additional guidance may be issued if necessary.

# Chapter 1

We wish to express our gratitude to the members of the Annual Report Reference Group, consisting of national, provincial and municipal officials for their inputs and support throughout the development of this document.

MFMA Implementation Unit, National Treasury

October 2009

## Mayor Foreword 2011/2012 Annual Report

2011/2012 financial year was characterized by past local or municipal general elections which were held in May 2011. As a result of the elections Ephraim Mogale local municipality wards increased from 14 to 16; and number of councilors increased from 27 to 32.

It was during what can be called transitional period that the municipality held its strategic meeting to relook at its vision and mission. The strategic meeting concluded that the municipality is on track and confirm that the vision of the municipality in the next five years will remain ***“The Municipality that strives to deliver quality services and promotes better life for all in terms of the council’s vision during the year”***. The meeting also confirms the municipality mission ***“to involve all sector of the community in the economic and social development whilst improving services delivery, thereby becoming a prominent agricultural, business and mega industrial growth point in Sekhukhune District for the benefits of the residents and the province”***.

During the financial year under review, the municipality committed and implemented the improvement of Moganyaka internal access road and Obaro road in central Marble Hall, and Marble Hall Storm water. The municipality further refurbished Moganyaka Hall, fencing of Community cemeteries at Matlala Ramoshebo and Matlala a Rakoadi; and building of the Klopper Community Centre/Hall. We further expanded the refuse removal to cover areas such as Leeuwfontein RDP section and Elandskraal. We increased the organic farming project to eight farms which created employment for 128 community members. The municipality also continues assisting needy learners with bursary to continue with tertiary education. In this regard; we introduced the first Top Ten Matric Awards in partnership with Classy Funeral Brokers.

As part of this municipality’s commitment and mandate to involve communities in all its activities, all 16 wards were visited through public participation programme. We further consulted with communities during the IDP process. In all this consultations, this municipality invited both Provincial and National sectorial Departments such as Home Affairs, Social Development, Agriculture and Economic Development to provide services to the communities during the gatherings. It is during such gathering that our municipality refreshes community mandates through their inputs, comments and new suggestions which contribute towards further, efficient and reliable service delivery to the people.

Ephraim Mogale local municipality cannot deliver the service alone without the partnership from other sectors. During the financial year under review, this municipality signed Service Level Agreements (SLAs) with Department of Roads and Transport for testing station, ABSA for fleet management services and e-tag. In order to improve provision of electricity during holidays and weekends, the municipality signed SLA with CONLOG to provide prepaid electricity to our community in Marble Hall town, SUECOLL to provide security service to municipal properties, SITA for the development and maintenance of the municipal website, just to mention a few.





# Chapter 1

The municipality through its mandate will continue to engage communities to strategies of the developmental projects within their areas, taking into cognizance the budgetary constraints this municipality is facing. We will work hard to encourage the private sector to partner with this municipality in developmental projects through their social responsibilities, creation of sustainable jobs and alleviation of poverty amongst our communities. The municipality will continue with its mission of making Marble Hall one of the main growth points by intensifying its flexibility study of developing logistic hub. Such logistic hub will integrate all the various means of transport; for example agricultural and other products into one umbrella. We believe that project such as this one will contribute largely towards job creation and betterment of the life of our communities.

## **Conclusion**

The municipality has limited revenue with most of its income coming from the Municipal Infrastructure Grant (MIG). It becomes important that we become transparent to our communities that with huge backlog of service delivery, the municipality is faced with challenges of limited financial resources. We will continue working with our communities to identify areas which need urgent attention and of priorities through public participation and IDP consultation process. The municipality will always strive towards the betterment of our communities through creation of sustainable jobs and intensive development of Ephraim Mogale Local Municipality.

I want to thank members of the Executive Committee, the Councillors, Officials, all Stakeholders and members of the communities for their unwavering support in working together to ensure better life for all.



**Cllr MY MMAKOLA**

**MAYOR**

T 1.0.1

## COMPONENT B: EXECUTIVE SUMMARY

### 1.1. MUNICIPAL MANAGER'S OVERVIEW

#### MUNICIPAL MANAGER'S OVERVIEW

Improvements were made in service delivery by implementing projects for Moganyaka Access Road, Council Chamber refurbishment, Marble Hall storm water, Klopper Community hall, Renovation of political office and Municipal Hall. The Bulk Scheme Project for Moutse area was presented to the Municipality the first phase of the project commenced (upgrading of Water treatment works in Groblersdal, 583km of the gravel roads graded, 384m<sup>2</sup> of surfaced road repaired, 41.8km of storm water pipe and open channels have been cleaned, 340 of Housing units completed, Building of bridge Mathukuthela, Building of bridge Monotolaneng, Malebitsa internal roads, Vaal-bank Internal Road, Reconstruction of Industrial road (Obaro Road), Moganyaka Community Hall Refurbishment, Fencing of Thusong Centre in Zammenkomst, Matlala Ramoshebo Cemetery and Ablution block, Expanded refuse removal services to Leeufontein RDP, Mokganyaka and Elandsdraal and Organic farming project where 8 farms have been established and 128 permanent jobs created

IDP, Budget and SDBIP for 2011/12 was approved by Council on 20 April 2011 which is aligned with each other and is based on the priorities of the community after public consultation process during March 2011

Performance review meetings was held on quarterly basis to measure the performance of each of the 5 departments against the set target indicators in accordance with the SDBIP.

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### 1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

#### INTRODUCTION TO BACKGROUND DATA

The Ephraim Mogale Local Municipality is situated in the western part of Sekhukhune district municipality. The land area is approximately 1911 square kilometres. The Municipality has been incorporated in Limpopo Province in accordance with proclamation no.422 dated 27 December 2005

The municipal area encompasses the towns of Marble Hall, Elandsdraal, Leeuwnfontein, Regae, Zamenkomst and 65 rural villages

The Municipality has an estimated population of 174375 people.

The Council is made up of 32 councilors, 16 ward councilors and 16 PR councilors.

To satisfy the basic requirements of the community the municipality has organized itself in 5 departments headed by the Municipal Manager with the Chief Internal Auditor and 5 Directors of Corporate Services, Community services, Technical services, Financial services and Strategic Planning reporting directly to the Municipal Manager. Water and sanitation function are handled by Sekhukhune district and Technical Services Director co-ordinates their operations. Audit committee has been established and meetings were held on regular basis. Performance assessment panel has been established to assess the individual performance of the section 57 Managers.

### Demographic Analysis

Population density – 91 people per km<sup>2</sup>, Urban rural population – 11.8% urban and 88.2% rural

Age profile – 0-9yrs=90675,20-59yrs=66262,60yrs+= 17438 : Total = 174375

Gender Breakdown – Male = 78796,Female = 95579 : Total = 174375

Education :None =43593,Primary = 45337,Secondary = 38362,Tertiary = 1743,Unspec.= 5231,

Population below 5yrs = 20925 – Total = 174375 Population

T1.2.5

The table below gives details of the wards, names of villages, population and number of households

Ward	Name of village	Population	No of households
1	Driefontein	3025	550
1	Malebitsa(Kwamatabana Vlakplaas)	6193	1126
<b>Total</b>		<b>9218</b>	<b>1676</b>
2	Rathoke(Part)	5470	943
2	Uitvluht(Ga-Botha)	7100	1291
<b>Total</b>		<b>12570</b>	<b>2234</b>
3	Metsanangwana(Keerom Makokomane)	3870	704
3	Mmakola(Doornlaagte Kloppe)	3400	618
3	Spitspunt	2869	522
<b>Total</b>		<b>10139</b>	<b>1844</b>
4	Zamenkomst(Matlerekeng)	3832	697
4	Rathoke(Part)	3330	666
<b>Total</b>		<b>7162</b>	<b>1363</b>
5	Toitskraal Commercial farming	283	51
5	Other farming areas	3912	809
5	Farming areas	3988	825
<b>Total</b>		<b>8183</b>	<b>1685</b>

Ward	Name of village	Population	No of households
6	Matla-a-Ramoshebo(Part)	6952	1264
6	Mokgwaneng(Tweefontein Holdings)	1683	306
6	Mamaneng(Witfontein Holdings)	1457	265
6	Matatadibeng(Mahlakodisea)	280	51
6	Tshikanosi(Leeukuil)	2620	476
6	Ditholong	1343	244
6	Toitskraal Agri Holdings(Matswayaneng Kgomotlou)	397	72
<b>Total</b>		<b>14732</b>	<b>2678</b>

7	Marble Hall	3377	965
7	Farming areas	3687	825
7	Moosrivier	300	
<b>Total</b>		<b>7364</b>	<b>1790</b>
8	Leeuwfontein A (Moganyaka)	7590	1380
8	Leeuwfontein A Ext 1 RDP	520	130
<b>Total</b>		<b>8110</b>	<b>1510</b>
9	Moganyaka North(Brakfontein A Kgosing)	1425	259
9	Moganyaka South(Brakfontein B New Stand	3119	567
9	Manapyane(Leeuwfontein B, Manapsane)	2594	472
<b>Total</b>		<b>7138</b>	<b>1298</b>
10	Makgatle ,Makharankana,Mmakgabe/Klipspruit)	836	152
10	Makgatle B(Makharankana, makgabe/Klipspruit)	1133	206
10	Mamphokgo(Rietvallei)	4015	730
10	Boschoek		
<b>Total</b>		<b>5984</b>	<b>1088</b>
11	Ragaphela(Rakgwadi), Mohlalaotwane (Vooruitsig)	6050	1100
11	Moeding(Welgelegen,Saliesloof)	1203	219
11	Selebaneng(Ramoro)	314	57
11	Puleng(Paardenzoek)	328	60
11	Puleng B(Masanteng, Paardenzoek)	219	40
11	Matilu(Klipkloof)	469	85
11	Goru(Makhutse)	300	55
11	Ga-Matlala	3296	599
11	Makhutso	500	91
<b>Total</b>		<b>12679</b>	<b>2306</b>

Ward	Name of village	Population	No of households
12	Mabitsi A(Goedetrouw)	800	145
12	Mabitsi B(Goedetrouw)	1700	309
12	Ngwalemong A(Buffelskloof)	1287	234
12	Ngwalemong B	550	100
12	Mmakgatle(12),(Ga-Hlopa, Klipspruit)	2300	418
12	Mmotwaneng	2611	475
12	Serithing(Goedetrouw)	1613	293
12	Vaalbank(Goedetrouw	1446	263

<b>Total</b>		<b>12307</b>	<b>2237</b>
13	Doornspruit A(Greenside)	2865	521
13	Mohlotsi(Buffelsfontein A)	1100	200
13	Disanyane(Goedgedacht,Motseleope)	2200	400
13	Ga-Masha(Seruleng,Masha)	1305	237
13	Ga- Mela(Monte Video)	290	53
13	Gareagopola	880	160
13	Manotolwaneng(Ga-Ragopole)	660	120
13	Kgaruththu(Frischgewaagd)	285	52
13	Mathukhuthela A(Goedgedacht)	1177	214
13	Mathukhuthela B(Goedgedacht)	913	166
13	Moomane(Goedehoop)	2833	515
13	Matseding	1584	396
13	Tompi Seleka(Nyakelang, Arabie Agri College)	1173	20
<b>Total</b>		<b>17 265</b>	<b>3054</b>
14	Dichoeung(Doornpoort)	4650	845
14	Regae(Van der Merwes Kraal,Tsantsabela)	11000	2000
<b>Total</b>		<b>15650</b>	<b>2845</b>
15	Elandskraal A(Sevenstad)	12000	2182
15	Elandskraal A Ext 1		
15	Weltevreden(Mbuzin)	2488	452
15	Hinlopen(Morarela)	2000	364
<b>Total</b>		<b>16488</b>	<b>2998</b>

<b>Ward</b>	<b>Name of village</b>	<b>Population</b>	<b>No of households</b>
16	Rooibokkop		
16	Ditholong(Lolamontes)	2420	440
16	Mogalatsana(Coetzeesdraai)	1211	220
16	Phetwane(Hindostan)	880	162
16	Tsimanyane North(Goevertouwen)	1577	287
16	Tsimanyane South(Mooihoek)	1300	236
16	Tsimanyane Ext(Mashemong)		
16	Letebejane(Kromdraai)	1714	312
16	Schuinsdraai nature reserve		
<b>Total</b>		<b>7397</b>	<b>1345</b>
<b>Grand Total</b>		<b>174100</b>	<b>32</b>

### 1.3. SERVICE DELIVERY OVERVIEW

#### SERVICE DELIVERY INTRODUCTION

Service delivery improvement projects that were implemented during the year under review are Moganyaka Access Road ,Council Chamber refurbishment, Marble Hall storm water, Klopper Community hall, Renovation of political office and Municipal Hall , The Bulk Scheme Project for Moutse area was presented to the Municipality the first phase of the project commenced (upgrading of Water treatment works in Groblersdal, 583km of the gravel roads graded, 384m<sup>2</sup> of surfaced road repaired, 41.8km of storm water pipe and open channels have been cleaned, 340 of Housing units completed, Building of bridge Mathukuthela, Building of bridge Monotolaneng, Malebitsa internal roads, Vaal-bank Internal Road, Reconstruction of Industrial road (Obaro Road), Moganyaka Community Hall Refurbishment, Fencing of Thusong Centre in Zammenkomst, Matlala Ramoshebo Cemetery and Ablution block, Expanded refuse removal services to Leeufontein RDP, Mokganyaka and Elandskraal and Organic farming project where 8 farms have been established and 128 permanent jobs created.

Challenges is that supply chain management process is to slow and that some service providers do not deliver quality work which causes delay in implementation of projects

Free basic services are provided to indigents who are registered in terms of the Indigent policy of council and subject to available budget.

T 1.3.1

#### COMMENT ON ACCESS TO BASIC SERVICES:

Refuse services has been expanded to Leeuwfontein RDP and Elandskraal thereby providing the service to 4786 households

Water services are rendered by the district and backlog is 16567 households that receive the service which is below RDP standards of which 6225 households in Moutse West do not have bulk water

Sanitation services are rendered by the district and backlog is 29169 household who are below RDP standard

Electricity services are provided in Marble Hall town including community lights in the municipal area. ESKOM provide electricity outside Marble Hall town and the backlog is 774 households

Roads and storm water is provided for municipal roads and backlog is 389km of roads to be graded

T1.3.3

#### 1.4. FINANCIAL HEALTH OVERVIEW

## FINANCIAL OVERVIEW

- Revenue from own source represent 41% of total revenue in 2011/2012 staying constant at 24% in 2012/2013. This indicates that the municipality is still dependent on government grants than its own revenue sources.
- Year-on-year growth for own revenue amounts to 18% from 2010/2011 to 2011/2012 while Government grants increases with 6.4 % from 2010/11 to 2011/12.
- Electricity and Property Rates remains the major source of revenue for the municipality at an average of 32% over the medium term.
- Property rates increases from 17% of own revenue in 2010/11 to 5% in 2011/12. This is mainly due to the implementation of the annual supplementary valuation roll for 2010/11.
- Electricity revenue contributes an entire 44% of own revenue over the medium term period.
- Total revenue of R152, 839,000.00 has been budgeted in the 2011/2012 financial year which is an average increase of 8.5% from 2010/11 so as to enable the municipality to fund all operating and capital expenditure
- Challenges is lack of enough human capital which HR is busy addressing as adverts were placed. Having enough staff will ensure that finance department perform to the level of achieving clean audit.
- The financial health of the municipality is sound as can be depicted from the financial ratios in chapter 5

## FINANCIAL PERFORMANCE

<b>Revenue</b>	<b>2012</b>	<b>2011</b>
Agency fees	1 789 351	2 039 970
Property rates	11 215 705	10 565 300
Service charges	33 149 311	26 297 470
Rental of facilities and equipment	155 437	116 597
Fines	223 424	214 137
Licences and permits	4 331 498	3 640 355
Government grants & subsidies	80 291 425	85 784 358
Recoveries	31 961	134 531
Other income	1 058 333	873 780
Interest received	922 615	998 453
Interest received - other	3 192 963	2 788 515
<b>Total Revenue</b>	<b>136 362 023</b>	<b>133 453 466</b>
<b>Expenditure</b>		
Personnel	(38 497 026)	(34 314 710)
Remuneration of councillors	(8 867 091)	(6 678 680)
Administration	(94 486)	(87 321)
Depreciation and amortisation	(35 882 761)	(32 575 115)
Finance costs	(1 012 062)	(1 200 193)
Debt impairment	(2 612 637)	(5 737 263)
Repairs and maintenance	(6 993 698)	(3 299 603)

Bulk purchases	(17 671 187)	(14 656 946)
Grants and subsidies paid	(624 409)	(2 863 442)
Loss on disposal of assets	(461 561)	(110 826)
General Expenses	(34 137 553)	(37 620 956)
<b>Total Expenditure</b>	<b>(146 854 65)</b>	<b>(139 145 055)</b>
Actuarial gains / (losses)	(1 336 000)	-
<b>Surplus/(deficit) for the year</b>	<b>(13 436 948)</b>	<b>(5 691 589)</b>

#### OPERATING RATIOS

<b>Detail</b>	<b>%</b>
<b>Employee cost</b>	<b>34</b>
<b>Repairs and maintenance</b>	<b>7</b>
<b>Finance charges and depreciation</b>	<b>25</b>

#### COMMENT ON OPERATING RATIOS:

Employee costs are within 35% of operating costs ,repairs and maintenance are below the norm of 20% due to constraints in budget and depreciation is above the norm of 10% due to depleted equipment

#### Total Capital expenditure 2009/10 – 2011/12

Detail	2009/10	2010/11	2011/12
<b>Budget</b>	<b>14 441 947</b>	<b>20 098 512</b>	<b>28 709 000</b>
<b>Spent</b>	<b>14 054 558</b>	<b>15 543 917</b>	<b>15 348 762</b>
<b>%</b>	<b>97%</b>	<b>77%</b>	<b>63%</b>

#### COMMENT ON CAPITAL EXPENDITURE:

For 2011 and 2012 the under expenditure was due to delay in supply chain procedures .For 2013 tender procedures were streamlined so there should be an improvement

T 1.4.5.1

### 1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW



#### ORGANISATIONAL DEVELOPMENT PERFORMANCE

Performance of the organisation was reviewed on quarterly basis and in cases of under performance remedial action was taken to rectify.

T1.5.1

#### 1.6. AUDITOR GENERAL REPORT

##### AUDITOR GENERAL REPORT 11/12

Qualified opinion was received from the AG. In the opinion except for the possible effects of the matters described in the Basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Ephraim Mogale Local Municipality as at 30 June 2012, and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

T 1.6.1

#### 1.7. STATUTORY ANNUAL REPORT PROCESS

No	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise 4 <sup>th</sup> quarter Report for previous financial year	
4	Submit draft 11/12 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General.	

10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General assesses draft Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	January
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	March
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	January
T1.7.1		

#### COMMENT ON THE ANNUAL REPORT PROCESS:

Preparation of annual report in terms of the above deadlines was achieved by obtaining information from internal departments. It is important that when preparing the IDP, Budget and SDBIP that it be aligned with each other. Challenges in this regard is changes of the priorities of the community made during community consultation when the draft budget and IDP is presented to the community during April.

## CHAPTER 2 – GOVERNANCE

### INTRODUCTION TO GOVERNANCE

#### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

## INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The municipality is a category B municipality with an Executive Committee with 32 Councillors, 16 ward Councillors and 16 PR Councillors.

T2.1.0

## 2.1 POLITICAL GOVERNANCE

### INTRODUCTION TO POLITICAL GOVERNANCE

The municipality has 6 full time Councillors ,namely the Mayor who heads the Executive committee, the Speaker who is head of Council, the Chief Whip, and two executive committee members. The Executive Committee has 6 members including the Mayor. The 5 members of the executive committee are head of each of the portfolio committees namely, Finance, Technical Services, Corporate Services, Community Services and Strategic Planning. The Chairperson of each committee form the Chairperson of Chairpersons committee

All items emanating from the 5 departments are submitted to Executive committee and recommendations from executive committee are submitted via the portfolio committees to council for consideration.

The municipality have an Audit committee that provides opinions and recommendations on financial processes and performance and provides comments on the annual report to MPAC.MPAC committee has been established to provide council with an oversight report on the annual report. The oversight will be published separately once it has been considered by Council

### POLITICAL STRUCTURE

*Photos*

#### **MAYOR**

M Y Mmakola

Function

Head of Executive committee

#### **SPEAKER**

K N Kekana

Head of Council

#### **CHIEF WHIP**

M F Ratau

Administer the whipping system

#### **EXECUTIVE COMMITTEE**

*Photos (optional)*

M Y Mmakola, L J Mphahlele, W Mabaso, E Monyamane, L J Shalang, M G Phefadi

T2.1.1

## COUNCILLORS

The Council consist of 32 councilors,16 ward councilors and 16 PR councilors

Refer to **Appendix A** where a full list of Councilors can be found (including committee allocations and attendance at council meetings).

Also refer to **Appendix B** which sets out committees and committee purposes.

T2.1.2

## POLITICAL DECISION-TAKING

T2.1.3

## 2.2 ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The administration is headed by the Municipal Manager who is the accounting officer and have 5 departments namely Finance, Technical services, Corporate services, Community services and Strategic Planning headed by section 56 Managers who report directly to the Municipal Manager. Internal audit division has been established and Chief Internal Auditor report directly to the Municipal Manager. Senior Management as well as Management meetings are held on a monthly basis to co-ordinate service delivery and evaluate and monitor performance of the administration. Evaluation and Adjudication bid committees are in place to ensure that tenders are dealt with in terms of supply chain management processes to ensure that projects are implemented in accordance with Budget/IDP/SDBIP.

T2.2.1

### TOP ADMINISTRATIVE STRUCTURE

Photo	<b>TIER 1</b>	<b>Function</b>
	<b>MUNICIPAL MANAGER</b>	
	Mr S R Monakedi( contract expired)	Accounting officer
	Mr B.P. Marais (Acting 01. 12. 2012)	
Photo Ex Dirs	<b>TIERS 2 AND 3</b>	
Dirs Optional	<b>DIRECTOR:</b>	
	Mrs T Mathabatha(Resigned 30/4/12)	Finance
	Mr R. Mohaudi (Acting 01. 12. 2012)	
	<b>DIRECTOR:</b>	
	Mr D Rankwe	Technical services

DIRECTOR:  
Mr L Makopo

Community services

Director:  
Mr M Lekola

Corporate Services

Director:  
Mr B P Marais(Acting)

Strategic Planning

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Various forums have been established in the district, province and national to address policy and practice matters

T 2.3.0

## 2.3 INTERGOVERNMENTAL RELATIONS

### NATIONAL INTERGOVERNMENTAL STRUCTURES

The municipality is a member of SALGA and the benefit that is derived is that the association represent , promote and protect the interests of local government, transform local government to enable it to fulfill its developmental role , raise the profile of local government , ensure full participation of women in local government, perform its role as an employer body and develop capacity within municipalities.

T2.3.1

### PROVINCIAL INTERGOVERNMENTAL STRUCTURE

Meetings attended are SALGA conference and portfolio clusters of SALGA, MEC Mayor's forum, Sector department meetings, COGHSTA M&E forum, Premier planning forum, Municipal Mangers forum and District cluster meetings including IDP,PMS,LED managers forum

#### RELATIONSHIPS WITH MUNICIPAL ENTITIES

**Delete Directive note once comment is complete** – Explain how your municipal entities take decisions at the top and how they are held accountable to your municipality and your citizens for the quantity, quality and value for money of the services they deliver. Refer to policy development, coordination and monitoring arrangements used to support your entities. A complete list of entities and delegated functions should be set out in **Appendix D.**

#### DISTRICT INTERGOVERNMENTAL STRUCTURES

Water and Sanitation are provided by Sekhukhune district municipality and Technical services department co-ordinates the service provided by the district to ensure that the service delivery needs of the community are met and for this purpose the district have established the infrastructure forum which meet with the 5 municipalities in the district on a monthly basis.

Mayor and Municipal Managers forum of the district and province are in place which meets on a monthly basis

District IDP Managers, LED Managers and PMS forum are in place which meet on a monthly basis.

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The Mayor together with councillors and management embarked on public participation meetings to all 16 wards during the year to address the needs of the community for capturing in the budget and IDP.

Benefits derived from this exercise for the community inter alia is Community Hall with offices for traditional authority built at Kloppe village.

T 2.4.0

### 2.4 PUBLIC MEETINGS

#### COMMUNICATION, PARTICIPATION AND FORUMS

The 16 wards are visited by the IDP Manager during August/September to establish the priorities of the community and to present the performance of implementation of projects for previous and current year. The attendance by the community vary from 20 to 150 per ward depending on how good the message was conveyed by the ward councillor. IDP representative forum meetings were held during September 11 to discuss the analysis phase and during March 12 to discuss draft IDP and performance management. The attendance at IDP representative meetings average 's at 60 persons which include sector departments

Website have been established and IDP/Budget and all relevant documents are included on the website

T2.4.1

#### WARD COMMITTEES

Ward committees have been established for each of the 16 wards and each ward consist of 10 members with ward councilor being the chairperson. Each ward committee member have been allocated a portfolio for which he/she is responsible for i.e. Electricity portfolio etc. Meetings are held with the ward committee and community of each ward on a monthly basis and reports are sent to the Speaker's office monthly by the ward councilor via the ward liaison officers of the municipal administration

Refer to **Appendix E** which contains further details on ward committee governance and to **Appendix F** that contains performance data on a ward by ward basis.

### Public Meetings

Public meetings held with all 16 ward communities by Acting Director Strategic Planning during August and September 2013 to discuss the analysis phase of the IDP . An average of 70 community members attended the sessions. The Mayor, Councillors and Management presented the draft IDP and Budget to the Community during April 2012 and an average of 150 community members attended per ward.

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

T2.4.3.1

## 2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	No
Does the IDP have priorities, objectives, KPIs, development strategies?	No
Does the IDP have multi-year targets?	No
Are the above aligned and can they calculate into a score?	No
Does the budget align directly to the KPIs in the strategic plan?	No
Do the IDP KPIs align to the Section 57 Managers	No
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	No
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	No
Were the indicators communicated to the public?	No
Were the four quarter aligned reports submitted within stipulated time frames?	No
* Section 26 Municipal Systems Act 2000	T2.5.1

## COMPONENT D: CORPORATE GOVERNANCE

### OVERVIEW OF CORPORATE GOVERNANCE

To render administration, Information Technology, Records Management and Legal Services through:

Development of by-laws, Records keeping and management, Acquisition of office furniture and equipment

Provision of Legal Services that include legal opinions, and advises, Information Technology Systems



T2.6.0

## 2.6 RISK MANAGEMENT

### RISK MANAGEMENT

Internal audit facilitate risk assessment and review of Risk management Strategy, Risk management policy, Fraud Prevention Plan, Fraud Response Plan and Whistle-blowing policy. Also help management to prioritise the identified risks. This enables management to spend more time, effort and resources to manage risks of higher priority than risks with a lower priority.

T2.6.1

## 2.7 ANTI-CORRUPTION AND FRAUD

### FRAUD AND ANTI-CORRUPTION STRATEGY

Internal audit compiled Fraud Prevention Plan, Fraud Response Plan and Whistle-blowing policy

T2.7.1

## 2.8 SUPPLY CHAIN MANAGEMENT

### OVERVIEW SUPPLY CHAIN MANAGEMENT

Supply Chain Management division has been established in the Finance departments headed by Supply Chain Manager. Supply Chain Management policy have been approved by the council and is reviewed every year when budget is approved. Evaluation and Adjudication bid committees has been established. Head of department together with divisional Managers set criteria when preparing tenders for the implementation of projects budgeted for

**Appendix H.** Explain remedial action being taken to address these shortfalls. Refer also to further comments set out under Financial Performance – Chapter 5, Component D.

T2.8.1

## 2.9 BY-LAWS

- COMMENT ON BY-LAWS: The Street Trading by law was published in the Limpopo Gazette on the 25<sup>th</sup> November 2011.
- Advertising by law was approved by Council for consultation. Public meetings held at various public venues to obtain comments from the public

## 2.10 WEBSITES

Following documents have been published on the municipal website:

Budget and budget related documents, IDP, Annual report, Oversight report, Tenders, Bylaws, Performance agreements and plans of section 57 Managers.

## 2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

### PUBLIC SATISFACTION LEVELS

Public satisfaction survey has been done with the assistance of COGHSTA and the result of the survey was presented to a meeting of councilors and the service delivery backlogs as indicated by community has been addressed with the community consultation meeting arranged by the Mayor

### Satisfaction surveys undertaken during 2011/12

Community satisfaction survey was done with the assistance of COGHSTA and results of the survey was presented to the Council by COGHSTA. The majority of the people that was consulted in the community was not satisfied with services rendered in the municipality and some did not know what the IDP was. The Mayor embarked on a monthly community consultation process to clear any issues which is not clear

### COMMENT ON SATISFACTION LEVELS:

Mayor have embarked on a monthly community consultation process to clear any misunderstandings and to obtain the needs of the community

T2.11.2.2

## CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### INTRODUCTION

The Sekhukhune district municipality is the water authority and supply water to the municipality and the staff and equipment has all been transferred to the district.

T3.0.1

## COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

### INTRODUCTION TO BASIC SERVICES

The Technical services department co-ordinate the provision of water supplied by the district. All needs of the community is obtained by consultation through IDP process. Most of the households outside Marble Hall town have stand pipes in the street. The households in Moutse West need bulk supply of water as most of the villages do not have water in the standpipes. Water is supplied through the water works at Dr J S Moroka and therefor water pressure is very weak

T3.1.0

## 3.1. WATER PROVISION

### INTRODUCTION TO WATER PROVISION

Note: Recent legislation includes the Water Services Act 1997 and the General Enabling Act 2005

District function

### COMMENT ON WATER USE BY SECTOR:

**Delete Directive note once comment is complete** - Comment on the above trends, and on more specific issues concerning water supply and demand as appropriate.

T3.1.2.2

District function

\* Means access to 25 liters of potable water per day supplied within 200m of a household and with a minimum flow of 10 liters per minute 6,000 liters of potable water supplied per formal connection per month

T3.1.5

A narrative providing information on the staff critical to service delivery and shortage hereof to accompany the above table on all municipal services. Municipalities should report for employees where cost centers are allocated.

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

District function

T3.1. 10

### 3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

The Sekhukhune district municipality is the sanitation authority and supply water to the municipality and the staff and equipment has all been transferred to the district.

T3.2.5

Revise the above table to eliminate repetition of bars.

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

District function

### 3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

Note: Recent legislation includes the Electricity Amendment Acts 1989; 1994; 1995; and the Electricity Regulation Act 2006.

*The Municipality only purchase electricity from ESKOM and have no generation capacity*

**Distribution:**

*Construction of new connections and extensions*

*Replacement of equipment and upgrading of capacity.*

*Metering of consumption of all customers*

*Determine tariffs and tariff types to suit customer needs & categories*

*Ensure quality of supply*

*Investigate all complaints and respond to requests*

These services extend to include only the town of Marble Hall but extends to the whole Municipal area where it comes to planning of electrification and investigation of complaints and request

This includes the implementation of FBE in the whole area.

The distribution of electricity for the rest of the Municipal area is being handled by ESKOM as the service provider.

The municipality has a mandate to:

Provide every household with electricity

Ensure access to free basic electricity

Ensure dependable quality supply to customers

The strategic objectives of this function are to: Properly and cost effectively maintain the electrical networks. Strengthen and expand network where necessary. Connect new customers. Accurate measurement of consumption

Performance  
review 2011/12

Project	Objective	KPI	Progress	Budget spent	Reason for not meeting target	Remedial action
Transformer maintenance	To ensure reliable & safe supply and to prolong life of equipment according to NERSA license conditions.	Maintain all transformers 1. Specification for testing 2. Submit to SCM 3. Oil test & inspection 4. Specification for repairs 5. Submit to SCM 6. Tender 7. Implementation	100%, Complete 39 units that required repairs was serviced.	Budget R 1 525 000  Expend R 1 105 345.7	none	none
Substation maintenance	To ensure reliable & safe supply and to prolong life of equipment according to NERSA license conditions.	Do service and repair on three substations.  1. Compile specifications 2. Submit to SCM 3. Tender 4. Evaluation & Appointment 5. Service & Repair	Phase 1- 100%, The substations have been serviced. Final test/fault result submitted. Phase 2: Tender was cancelled due to lack of funding			
Replace kiosks	To ensure reliable & safe	Replace 10 kiosks that are in the worst	100% of 10 Kiosks	Budget R 290 000.00		

	supply by replacing damaged and unsafe kiosks	condition. 1. Identify priorities/ 2. Submit to SCM/ 3. Purchase & Delivery 4. Replace kiosks/install	replaced	Expend R 290 000		
Meter replacements	To ensure accurate billing to reduce losses by replacing old analog meters.	Phased replacement of old analog meters at high consumption customers 1. Identify customers 2. Submit to SCM 3. Purchase 4. Delivery 5. Installation	100%, 20 meters replaced. Customers prioritized. Possibly install additional meters.		none	none
RMU maintenance	To ensure reliable & safe supply and to prolong life of equipment according to NERSA license conditions.	Change oil and repair leaks on 10 Ring Main Units 1. Identify critical units 2. Inspection 3. Bill of material 4. Submit to SCM 5. Acquisition 6. Planned outages 7. Service and repair 8. Palisade fencing	100%, 10 RMU's Serviced and repaired	Budget R 650 000.00  Expend R 650 000	None	None
Bulk supply to ext 6	To ensure reliable and safe supply by installing a ring feed to Ext 6 phase 3 and upgrading of Ext 2, 3 & 4.	Install bigger cables and 1MVA mini-substation 1. Finalize scope of work. ✓ 2. Appoint labourers 3. Submit specification ✓ 4. Tender ✓ 5. Delivery 6. Construction-only if labour and transport is available.	100%, Install 11kV cable from erf 254 to Erf 423. Replace sections of LT cable in Ext 2		None	None

Purchase of LDV	To ensure reliable and safe supply through effective maintenance and upgrading according to NERSA license conditions.	Purchase LDV with alluminium toolbox/canopy  1. Specification/ 2. Submit to SCM 3. SCM place order with Fin Service provider 4. Delivery 5. License and registration	100%, 1 LDV purchased with toolbox/canopy		None	None
Machinery and equipment	To ensure reliable and safe supply through effective maintenance and upgrading according to NERSA license conditions.	Purchase power meter for electricity profile  1. Specification 2. Submit to SCM 3. Quotations 4. Purchase 5. Delivery	100%, 1 power meter purchased	Budget R 235 000.00  Expend R 212 574.95	None	None
Remote metering	To ensure compliance with quality of supply standards as set by NERSA.	Purchase Modems and software to download QOS recorders & meters remotely.  1. Investigation 2. Specification 3. Submit to SCM 4. Quotations/tender 5. Evaluate & purchase 6. Installation 7. Commission	85% of Link QOS recorders and Max meters for remote reading and data processing completed		None	None

Public lighting	To keep all public lighting functional and effective	To supply effective and sufficient repairs & maintenance to the areas with public lighting	70%, of public lights supplied, effective and sufficient repairs & maintenance done to the areas with public lighting (continuous activity)	Budget R 390 000.00 Expend R 317 145.60	The lack of personnel (labourers) and frequent breakdown of the truck (cherry picker)	Procurement of both permanent and temporary general labourers
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#### COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

There are 32304 households and 30715 are served. The backlog of 7000 in 2006 have been reduced and now is 1608 connections.

### 3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

#### INTRODUCTION TO WASTE MANAGEMENT

Licensed refuse site is in Marble Hall town and refuse is collected in Marble Hall, Leeuwfontein and Elandsdraal, and it is planned to extend the service to Leeuwfontein RDP and Moganyaka.

There are 32304 household of which 2345 are served.

The challenge is lack of funds for equipment and manpower and non payment for service at Leeuwfontein and Elandsdraal.

T3.4.1

Performance review 2011/12

Project	Objective	KPI	Progress	Budget spent	Reason for not meeting	Remedial action



					target	
Solid waste	Ongoing Maintenance of Landfill site	% Compliance to maintenance program	100% Compliant as per operational plan	Operational budget used 100%	none	none
	To Rehabilitate the Marble Hall landfill site	% Rehabilitated site				
	To Clean Marble Hall, Leeuwfontein Elandskraal towns	Number of programmes	100%		Project time too short	Budget for longer work periods in order to create more full time employment opportunities
	To Expand refuse removal services to Leeuwfontein RDP, Moganyaka	Number of extended service points	90% Service is rendered in Elandskraal, Moganyaka, Leeuwfontein		Community participation	Community Awareness programs

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

Licensed refuse site is in Marble Hall town and refuse is collected in Marble Hall, Leeuwfontein and Elandskraal, and it is planned to extend the service to Leeuwfontein RDP and Moganyaka.

### 3.5 HOUSING

#### INTRODUCTION TO HOUSING

The department of Local Government and Housing is responsible for the provision of housing

Provision of housing is a Provincial function

The backlog is 8195 units for the 16 wards. The challenges is to obtain beneficiary lists and for DLGH to allocate units to the municipality. 700 units was allocated to the municipality during 2010/11 financial year.

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

340 houses was built by the department of LG & Housing in 2011/12

### 3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

#### INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

Indigent policy was reviewed by Council on 31 May 2010 which makes provision that an indigent is defined as the total income of all occupants is not more than equal than the amount received by one state pensioner. Indigent register in process of compilation and completed during 2011

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

All registered indigents will receive 50 units of electricity per month free of charge. Unused free electricity units shall not be carried over to the next month. Any meter tampering or dishonesty shall result in the termination of the free service.

Challenge is that 2387 was configured but non active have been de-configured now 2095. Average collection rate 1450/month. 5 villages new roll out more than 6000 applications-188 888/month.

### COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and waste water (stormwater drainage).

#### INTRODUCTION TO ROAD TRANSPORT

The only major route running through the municipal area is the N11 which links Marble Hall with Groblersdal to the south, and Mokopane via Roedtan and with the N1 between Polokwane and Pretoria to the west and north. Provincial roads links Marble Hall with the villages to the west and north. Maintenance of these roads by the relevant authorities is inadequate due to lack of manpower and equipment.

The internal roads in the villages are the responsibility of the Municipality. Information regarding exact status of the roads, namely public versus local roads, is lacking. Internal streets within the settlements are generally low quality gravel roads that were never properly planned and constructed. Basically no provision was made for stormwater drainage. Some of the formal towns have a few tar roads such as Leeuwfontein main roads that are partly tarred, but are deteriorating very quickly.

### 3.7 ROADS

#### INTRODUCTION TO ROADS

Backlog is 404km internal roads to be graded and storm water to be built in all villages . The challenges is to purchase road maintenance equipment to grade roads..

Performance review  
2011/12

Project	Objective	KPI	Progress	Budget spent	Reason for not meeting target	Remedial action
Roads and stormwater	To improve the condition of existing municipal gravel roads	Km of roads graveled	583km. Progress is slow, mainly due to frequent breakdown and machines .Slow progress on purchasing of new plans and The Service provider for hiring machinery was appointed and has started working.	Budge: R 2 013 686  Expenditure R 1 974 381	Lack of Plant and Machinery	Hired plant and machinery as the temporary measures.
	To improve the condition of existing storm water drainage system	Km of storm water drain and channel to be cleaned	41.8km of storm water pipe and open channels have been cleaned		Insufficient personnel (general labourers )	To appoint both permanent and temporary general worker by June 2012
	To improve the condition of existing municipal tarred roads	m <sup>2</sup> of base and surface patches repaired	384m <sup>2</sup> of surfaced road repaired		Rapid mechanical repairs and maintenance of old	New plant and machinery budgeted and to be

					plant.	procured in the next financial year 2012-2013
	To improve the condition existing road markings	Km of tarred roads to be marked	81.2km, The progress improved		None	None
	Reconstruction of Industrial road (Obaro Road)	Km of roads to be reconstructed	100%, Project completed and functional	Budget R2m Spent R2m	None	None
	Building of bridge: Mathukuthela	Number of bridges to be constructed	100%, The project is completed and defect liability period commenced	Budget : R3 481 185.03 Expend : R 3 481 185.03	None	None
	Building of bridge: Monotolaneng	Number of bridges to be constructed	100%, The project is completed and defect liability period commenced		None	None
	Moganyaka Access Road	Km of roads to be constructed	37%, The contractor appointed and construction commenced in March 2012	Budget: R5 046 091.65 Expend : R 2 834 500.00	Poor performance by the Consultant and the Contractor	Applied penalties to the contractor and monitor the performance to fast the project

					implement ation
Malebitsa internal roads	Km of roads to be constructed	The project designs and tender are completed, subject to availability of funds in the outer financial years to commence with construction.	Budget:  R 631 159.04  Expend :  R631 159.04	Constructio n phase delayed due  Limited budget or allocation	Budget allocated for constructio n in the next financial year
Vaal-bank Internal Road	Km of roads to be constructed				
Marble Hall Storm water	Km of storm water to be c constructed	47%, The contractor appointed and construction commenced in March 2012	Budget:  R4 500 000.00  Expend:  R 912 529.87	Outstanding SLA with the land owner, where the retention dam should be constructed	Finalise the SLA with the land owner and fast track the implement ation

**COMMENT ON THE PERFORMANCE OF ROADS OVERALL:**

Four capital projects above have been completed in accordance with approved budget

**3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)**

## INTRODUCTION TO TRANSPORT

The taxi rank in Marble Hall town is privately owned and is causing various challenges by the taxi associations who are operating from the rural areas. The transport system is also linked with access to education particularly for the rural communities. The railway line between Marble Hall town and Pienaarsrivier is out of commission and should be revived and together with air transport provide an opportunity that should be optimally utilised in order to improve the transport system in the area. Challenge is to transfer existing private taxi rank in Marble Hall town to the municipality.

### COMMENT ON THE T PERFORMANCE OF TRANSPORT OVERALL:

Taxi ranks have been built at Maklerekeng, Leeuwfontein, Tsimanyane and Elandskraal

## 3.9 WASTE WATER (STORMWATER DRAINAGE)

### INTRODUCTION TO STORMWATER DRAINAGE

Stormwater included in Roads above

### COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

Stormwater included in Roads above

## COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

### INTRODUCTION TO PLANNING AND DEVELOPMENT

The municipality is designated a “provincial growth point” and is regarded as one of Limpopo’s more economically developed local municipalities.

Municipal area makes a significant contribution to the District GGP, mainly from public sector, agriculture, agro-processing, wholesale and retail, trade, services and transport, storage and communication sectors. According to STATS SA 2001 census, agriculture is the largest contributor to employment, followed by the public sector, private households, wholesale and trade.

The local conditions (business environment) in which the local business operate from provides comparative advantage and disadvantages, favouring certain types of industry sectors. The municipality boasts a pleasant climate, particularly suitable for table grapes and citrus. Fertile soils, large dams and irrigation provide comparative advantage for production of a variety of crops and livestock.

Municipality has limited mineral deposits, mainly marble and lime.

The best natural tourism attractions are the Flag Boshielo Dam and the adjacent Schuinsdraai Nature Reserve, which are not yet utilized or developed as major tourist attractions.

The municipality has well serviced transport routes in comparison to the rest of the province

The existing tourism sector has grown around business visitors, a few game lodges and agricultural educational tours.

### 3.10 PLANNING

#### INTRODUCTION TO PLANNING

The municipality remains dependent on fiscal allocations from outside the province. The municipality's annual budget is over R 180 million, of which R 127 million is raised within the municipality. Within the municipality 15,664 economically active people are required to support over 100,000 economically un-active people (2001 figures), a statistic that exposes the extent of under-development and dependency.

Land ownership is the single biggest constraint to economic growth in the rural areas. The land issue permeates as a constraint through all sectors - from commercial level investment to undermining the scale and viability of emerging farmers and capital appreciation of property values for everyone living in the area. The current regulatory system creates investment uncertainty and slows or blocks the process of investment.

#### COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

The Strategic Planning department is committed to improving the quality of life of the community by being accountable to the community, providing services in a sustainable manner, promoting social and economic development, promoting a safe and healthy environment, encouraging public participation and ensuring the efficient and effective utilization of all available resources.

### 3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

#### INTRODUCTION TO ECONOMIC DEVELOPMENT

The strategic objectives of this function are to:

*Operationalising the LED strategy, implementing competitive action plan for the horticulture cluster*

The key issues for 2011/12 are:

*1. Operationalising the LED strategy and the Urban Renewal strategy*

*2. Promote economic growth by implementing the action plans of the four approved clusters namely tourism, meat, informal sector and horticulture.*

### 3.LED strategy communication

Marble Hall is a relatively small economy with a predominantly rural character. The general impression is that physical and social infrastructure, as well as service delivery standards, are inadequate to provide the platform that is required for accelerated economic growth and job creation.

LED strategy was approved on 25 June 2008 and proposals to improve the rate of economic development and the quality of life of the citizens of Marble Hall Municipality is Service Delivery Improvements, Horticulture Cluster Promotion, Meat Cluster Promotion ,Tourism Cluster Development and Informal Economy Support.

GGP per Sector for Greater Marble Hall at current prices for 2006 R'000

Sector	Year 2005	Year 2006	Sector % 2006	Growth 05-06
1 Agriculture	59,506	72,107	5.8	21.2
2 Mining	130,618	155,817	12.5	19.3
3 Manufacturing	50,637	56,811	4.6	12.2
4 Electricity	32,955	38,976	3.1	18.3
5 Construction	13,437	16,639	1.3	23.8
6 Trade	139,259	157,007	12.6	12.7
7 Transport	93,223	103,611	8.3	11.1
8 Finance	225,444	272,885	21.9	21.0
9 Community services	336,396	370,560	29.8	10.2
Total Industries	1,081,474	1,244,414	100.0	15.1
Taxes less Subsidies on products	171,372	202,254		
Total (Gross Domestic Product - GDP)	1,252,846	1,446,668		

COMMENT ON LOCAL JOB OPPORTUNITIES:

T3.11.4

Following table indicates jobs created in the municipalities through LED initiatives from 2007.

Project	Jobs created		
	Men	Woman	Youth
Water reticulation	303	321	426
Mast lights	30	40	55
SLASH(fertilizer)	3	5	2
Brick paving manufacturing	7	8	5
Sports stadiums /community halls	38	45	17



Bakery and piggery	2	8	
Beadmaking jewellery		8	7
Tar roads and storm water	280	310	352
Egg production		20	5
Organic farming cluster(permanent)	95	43	

#### COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

Organic farming has been established for 7 farms with funds obtained from DTI and 138 permanent jobs created

T3.11.11

### COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

#### INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

**Delete Directive note once comment is complete** – Provide brief introductory comments. Refer to support given to those communities that are living in poverty.

T3.52.0

### 3.52 LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

#### INTRODUCTION TO LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES

Community Hall has been built at Kloppe and the Library in Marble Hall also provide facilities for blind people

#### SERVICE STATISTICS FOR LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

COMMENT ON THE PERFORMANCE OF LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC) OVERALL:

Community hall at Kloppe

T3.52.7

### 3.55 CEMETORIES AND CREMATORIALS

#### INTRODUCTION TO CEMETORIES & CREMATORIALS

Fencing for 4 cemeteries have been provided in Rathoke, Gamatlala, Dichoung and Keerom

#### SERVICE STATISTICS FOR CEMETORIES & CREMATORIALS

Performance review 30/6/12

Project	Objective	Progress	Budget spent	Reason for not meeting target	Remedial action
Cemetery	To Establish new cemetery – Marble Hall	50%  1 <sup>st</sup> phase and report on the preferred site done.  Council needs to take a decision on the recommended site which include part of the southern erven of the current Industrial area,.	R 29799	Tenders advertised for professional services - no interest . Tenders re-advertised closure date 19 April 2012. Tenders again very High R 1.2 million. Winterbach and Associates appointed on 18 June 2012 For R 2009595	Project might roll over to the first 4 months of the new financial year.  Council needs to take a decision on the locality of the preferred site before the final detail assessment can be made,

COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIALS OVERALL:

Extension of cemetery in Marble Hall – soil tests done

### 3.56 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

Service provided by department of social services

COMMENT ON THE PERFORMANCE OF CHILD CARE; AGED CARE; SOCIAL PROGRAMMES OVERALL:

T3.56.7

## COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control; biodiversity and landscape; and coastal protection.

INTRODUCTION TO ENVIRONMENTAL PROTECTION

To promote a safe, clean sustainable and well managed environment in line with the Waste Management plan, Integrated Development Plan and Environmental Management plan of the Municipality.

### 3.59 POLLUTION CONTROL

INTRODUCTION TO POLLUTION CONTROL

**Delete Directive note once comment is complete** – Provide brief introductory comments. Set out your top 3 service delivery priorities and the impact you have had on them during the year. Explain the measures taken to improve performance and the major efficiencies achieved by your service during the year. Refer to support given to those communities that are living in poverty.

T3.59.1

COMMENT ON THE PERFORMANCE OF POLLUTION CONTROL OVERALL:

**Delete Directive note once comment's completed** – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from 2008/09 and/or previous year actuals, or expected future variations).

T3.59.7

### 3.60 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

#### INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

**Delete Directive note once comment is complete** – Provide brief introductory comments. Set out your top 3 service delivery priorities and the impact you have had on them during the year. Explain the measures taken to improve performance and the major efficiencies achieved by your service during the year. Refer to support given to those communities that are living in poverty.

T3.60.1

#### SERVICE STATISTICS FOR BIO-DIVERSITY AND LANDSCAPE

#### COMMENT ON THE PERFORMANCE OF BIO-DIVERSITY; LANDSCAPE AND OTHER OVERALL:

**Delete Directive note once comment's completed** – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from 2008/09 and/or previous year actuals, or expected future variations).

T3.60.7

## COMPONENT F: HEALTH

This component includes: clinics; ambulance services; and health inspections.

### INTRODUCTION TO HEALTH

Note: Recent legislation includes the National Health Act 2004.

Health is district function

### 3.62 CLINICS

### INTRODUCTION TO CLINICS

Health is district function

Health facilities

### COMMENT ON THE PERFORMANCE OF CLINICS OVERALL:

Accessibility and other issues

33% of the communities are within 20km from hospitals and 67% outside 20km

47% of the communities have access to clinics within 5km and the majority (53%) is more than 5km away from

Facility	Standard Per households	Number of Households	Existing Nr
Hospital	1 : 10 000	31971	1
Health Centre	1 : 5 000	31971	2
Clinic	1 : 2 000	31971	11
Mobile Clinics	1 : 2 000	31971	28

Clinics.

### 3.63 AMBULANCE SERVICES

#### INTRODUCTION TO AMBULANCE SERVICES

District function

T3.63.1

#### COMMENT ON THE PERFORMANCE OF AMBULANCE SERVICES OVERALL:

District function

T3.63.7

### 3.64 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

#### INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABATTOIR LICENCING AND INSPECTIONS, ETC

District function

## COMPONENT G: SECURITY AND SAFETY

This component includes: police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

#### INTRODUCTION TO SECURITY & SAFETY

#### Safety and Security

The following table indicates the facilities available in respect of police stations in the municipality Police and Magisterial Services Rendered

Ward	Former TLC	Location	Facility
1,2,3 & 5	Moutsé 1		No Police station (Main PS in Dennilton and satellite in Matlerekeng)
4	Moutsé 1	Matlerekeng	Satellite Police Station with 16 personnel
6	Marble Hall	Marble Hall	Police Station with cells and courtroom.6 Private Security Services.

7	Moganyaka/ Leeuwfontein	Moganyaka/ Leeuwfontein	No formal and local services.
8	Moganyaka/ Leeuwfontein	Manapyane/ Moganyaka	No formal and local services.
9	Hlogotlou/Lepelle		No formal and local services.
10	Hlogotlou/Lepelle		No formal and local services.
11	Hlogotlou/Lepelle/Nebo		Satelite Police Station at Rakgwadi
12	Hlogotlou/Lepelle		No local Police Station
13	Middle Lepelle	Elandskraal	Police Station at Elandskraal
14	Middle Lepelle		No formal local services.

Police district to be extended to cover the municipality

T3.65.0

### 3.65 POLICE

#### INTRODUCTION TO POLICE

T3.65.1

#### COMMENT ON THE PERFORMANCE OF POLICE OVERALL:

Backlog – Ward visits : August 2010

Ward 1	No need indicated
Ward 2	Bareki Police station
Ward 3	No need indicated
Ward 4	1. Require fully fledged police station that operate 24 hours.2.Traffic signs required i.e.stop etc. 3.Satelite traffic/court required at Matlerekeng 4.Traffic signs required at schools for pedestrian crossing and speed humps and scholar patrols (traffic dept.be requested to assist )
Ward 5	1.CPF to be launched 2.Security from SAPS or security institutions required to patrol area.
Ward 6	1. The need for the urgent refurbishing of the existing fire fighting equipment including the fire tender as per the detailed document forwarded to the MEC for Provincial Treasury, a copy which is available on request. 2. Fire hydrants in Marble Hall town to be serviced/repared where they have been knocked over, painted and recorded by GPS reading of their location 3. In view of the development of the Schuinsdraai Nature Reserve the need for land and water policing needs to be considered.

### 3.66 FIRE

#### INTRODUCTION TO FIRE SERVICES

District function

Turn around time is a challenge as fire station is in Groblersdal

T3.66.2.1

### 3.67 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

#### INTRODUCTION TO DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

Pound to be established in the municipality to control stray animals

T3.67.1

## COMPONENT H: SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

#### INTRODUCTION TO SPORT AND RECREATION

T3.68.0

### 3.68 SPORT AND RECREATION

#### SERVICE STATISTICS FOR SPORT AND RECREATION

T3.68.1

#### 1. Sports and recreation

The table below indicates the sports and recreation facilities available in the municipality as well as backlog

Ward	Formal	Informal	General status
1	1	2	Sport & Recreational Facility for Malebitsa completed. Informal Soccer and Netball fields. Poor quality fields. Insufficient number and variety of sport and recreational facilities.
2	0	2	
3	0	3	
4	0	2	



5	0	2	
6	0	4	Informal Soccer and Netball fields.Poor quality fields. Insufficient number and variety of sport and recreational facilities.
7	4	0	Mining Sport Club.Golf course.Tennis Courts.Sport fields at Primary School
8	0	3	1 soccer field.1 softball field.1 netball field.1 boxing club.1 music club
9	0	13	6 soccer fields.7 netball fields
10	0	3	3 Soccer fields.No specific information
11	0	7	7 soccer fields.Netball fields at schools
12	0	10	No formal sport grounds exist
13	0	5	5 Soccer fields.No specific information
14	0	4	3 soccer fields & netball field
15	1	3	New formal facility completed
16	0	12	11 soccer fields & netball field
<b>Total</b>	<b>6</b>	<b>75</b>	

COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

#### Community centers

The table below indicates the community centers available in the municipality as well as backlog

Ward	Community hall	Multi purpose centre	Tribal hall
1	1	0	0
2	2	0	0
3	0	0	0
4	0	1	1
5	1	0	1
6	1	0	0
7	1	1	0
8	1	0	1
9	0	0	1
10	0	0	0
11	0	0	1
12	0	1	0
13	0	0	0
14	1	0	1
15	0	0	0
16	0	0	0

#### COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

#### INTRODUCTION TO CORPORATE POLICY OFFICES, Etc

To provide adequate and professional Council , Support Services to the work of the Political Leadership, Provide Human Resources Services to the

Councilors, Staff, and Community members ,To render Administration, Information Technology, Records Management and Legal Services

Satellites Offices

T3.69.0

### 3.69 EXECUTIVE AND COUNCIL

This component includes: Executive office (mayor; councilors; and municipal manager).

#### INTRODUCTION TO EXECUTIVE AND COUNCIL

The executive committee has no executive powers and is chaired by the Mayor and members consist of heads of the 5 Portfolio committees and meet once a month. The Exco make recommendations to Council via the Portfolio committees. The Council meeting is chaired by the Speaker and consist of 32 councillors

T3.69.1

#### SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

During 2011/12 financial year eleven ordinary and 3 special Exco meetings were held. And four Council and six special council meetings held

T3.69.2

### 3.70 FINANCIAL SERVICES

#### INTRODUCTION FINANCIAL SERVICES

**The function of finance within the municipality is administered as follows and includes:**

*Collect revenue (revenue enhancement),*

*Manage debts (minimise debtors),*

*Management of expenditure (expenditure to be according to the budget and no over expenditure),*

*Manage and control the approved budget*

*Properly account on all transactions undertaken*

These services extend to include <function/area>, but do not take account of <function/area> which resides within the jurisdiction of <national/provincial/other private sector> government. The municipality has a mandate to:

Collect revenue (revenue enhancement),

Manage debts (minimise debtors),

Management of expenditure (expenditure to be according to the budget and no over expenditure),

Manage and control the approved budget

Properly account on all transactions undertaken

Give support to other Council's departments

*The strategic objectives of these functions are to:*

To ensure that the municipality is financially viable to ensure proper provision of services to the community

Major projects implemented is Building of bridge:Mathukuthela – R2.3m, Building of bridge:Monotolaneng – R2.3m. Kloppe community hall – R3.5m and Organic farming – R5.5m3.70.1

#### COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

Performance for financial services for the year are as per the table below

T3.70.7

#### Statement of Financial Performance

Figures in Rand Note(s)

	2012	2011
<b>Revenue</b>		
Property rates	11 215 705	10 565 300
Service charges	33 149 311	28 337 440
Rental of facilities and equipment 18	155 437	116 597
Fines 18	223 424	214 137
Licences and permits 18	4 331 498	3 640 355
Government grants & subsidies 21	85 905 270	85 784 358
Recoveries 22	31 961	134 531
Other income 22	1 064 414	873 780
Interest received - investment 29	4 115 578	998 453
Gains on disposal of assets 29	318 934	-
Interest received - other 29	-	2 788 515
<b>Total Revenue</b>	<b>136 362 023</b>	<b>133 453 466</b>
<b>Expenditure</b>		
Personnel 25	(38 497 026)	(34 314 710)
Remuneration of councillors 26	(8 867 091)	(6 678 680)
Administration 27	(94 486)	(87 321)
Depreciation and amortisation 30	35 882 761	(32 575 115)
Finance costs 31	(1 012 062)	(1 200 193)
Debt impairment 28	(2 612 637)	(5 737 263)
Repairs and maintenance	(6 967 626)	(3 299 603)
Bulk purchases 35	(17 671 187)	(14 656 946)
Grants and subsidies paid 34	(624 409)	(2 863 442)
Loss on disposal of assets 34	461 531	(110 826)
General Expenses 23	(34 137 552)	(37 620 956)
<b>Total Expenditure</b>	<b>(146 854 651)</b>	<b>(139 145 055)</b>
Actuarial loss on Post Employment Medical Aid Benefits	(1 336 000)	-
Loss on biological assets and agricultural produce	-	-
Income from equity accounted investments	-	-
<b>Surplus/(deficit) for the year</b>	<b>(76 208 909)</b>	<b>(5 691 589)</b>

### 3.71 HUMAN RESOURCE SERVICES

#### INTRODUCTION TO HUMAN RESOURCE SERVICES

Major projects implemented and challenges are as follows

3.71.1

Project	Objective	Progress	Reason for not meeting target	Remedial action
Bursary Fund for Community members	To award bursaries to qualifying community members, especially youth in order to equip them with skills & qualifications.	Draft Avert Notice developed.  Community & staff Bursary Policies being reviewed.	Meeting the criteria by some applicants in certain wards	Revision of the policy & review of fields of study.
Recognition of Prior Learning (RPL),	To enable staff with skills & capabilities to acquire RPL certificates.	Training committee established	The process of interacting with other stakeholders & Departments & their delay to respond and to submit requested information.	To raise the matter with the respective institutions/departments to speed up the process.

#### SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

POSTS	No. of Posts	FILLED	VACANT	GENDER		REQUIREMENTS	
				M	F	T	A
Municipal Manager	1	0	0	0		-	-
Section 57	4	3	2	3	0	50%	0%
Section 56	11	11	2	10	1	50%	9%
Youth		68	-	39	29	-	31.9

People of Colour		12	-	10	2		5.2%
People living with Disabilities		2	-	1	1	2%	1.01%
Gender rep	258	215	43	154	61		28.3%
Vacancy level	258	215	43	-	-	100%	84%

### 3.72 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

#### INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Following is IT projects implemented

T3.72.1

Project	Objective	Progress	Reason for not meeting target	Remedial action
End-user support.	To enhance virtual interactive organisation	On going.  Printers were delivered and installed.  Turnaround time for end user support improved since appointment of two interns	Additional printers needed for new offices and newly appointed officials.	Budget appropriately for the procurement of additional printers in the 2012/13 financial year.
Website	To enhance virtual interactive organisation	The project was financed largely in the last financial year	Getting information from departments to update the website.	Engage with the Communication section to feed the website with information.

### 3.73 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

This component includes: property; legal; risk management and procurement services.

#### INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

3.73.1

#### SERVICE STATISTICS FOR PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

The strategic objectives of this function are to:

***To give effect to the provision of the constitution, MFMA, PPPFA and other procurement legislations***

***To transform outdated procurement and provisioning practices into an integrated SCM function.***

***To ensure that SCM forms an integral part of the financial management system of the municipality.***

***Promote consistency in respect of supply chain management policy and other related policy initiatives in the municipality.***

***Align with global trends***

The key issues for 2011/12 are:

***Appoint additional acquisition officer Provide training for SCM personnel Provide workshop for local business community on bidding process and related activities***

***Improve database management***

***Improve order generation turnaround time to ensure effective delivery of services***

Details of tender committee:

#### Adjudication committee

***Chairperson : Ms Mathabatha (CFO)***

***Members: Mr. L Makopo, Mr. B Marais, Mr. M Lekola, Mr. D Rankwe***

***Specification Committee and Evaluation Committee. - Members appointed on adhoc basis***

COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL:

T3.73.7

## COMPONENT J: MISCELLANEOUS

This component includes: the provision of Airports, Abattoirs, and Forestry as municipal enterprises.

### INTRODUCTION TO MISCELLANEOUS

T3.75.0

## COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

OBJECTIVES	DATE	KEY PERFORMANCE INDICATOR
1.1 Monitor and control the budget of the municipality so that expenditure is in line with Council's requirements and availability of funds	End June 2012	a) All spending occurs within the parameters of the budget. b) Sound financial management c) Highlight any irregularities to H.O D's d) Provide a monthly overview of the budget for each department and the municipality and any issues that need to be taken into consideration
1.2 Develop a medium term financial framework within which Council can operate.	End June 2012	a) Develop a Five-year financial plan which should be approved by Council. b) Evidence to be provided that the financial plan is linked to the IDP.

OBJECTIVES	DATE	KEY PERFORMANCE INDICATOR
1.3 Develop and implement a budget process and system that allows for public participation and the alignment of the budget to community needs.	End May 2012	<p>a) Budget process plan approved by 31 August 2011.</p> <p>b) Prepare and submit draft budget to the Municipal Manager for discussion with management and thereafter the finance portfolio committee</p> <p>c) CFO should prepare the budget process as far as is practically possible in line with GAMAP principles. Prepare a plan that will show what needs to be in place in order to implement GAMAP by 2011/2012 .</p> <p>d) Budget process should be communicated and implemented. (Evidence to be provided on the implementation of the system).</p> <p>e) Ensure budget is adopted by end of May 2012.</p>
1.4 Manage and control budgeting and financial planning so that the strategic direction of Council is reflected in the budget and that the budget is adhered to.	31 May 2012	<p>a) Evidence to be provided of public participation (this will be arranged by finance portfolio committee, who will be guided by the development of the budget within timeframes that will lead to the adoption of the budget by 31 May 2012</p> <p>b) Budget submitted to and approved by Council within required deadlines/format.</p> <p>c) Approved budget should be submitted to National Treasury within 14 days after adoption of the budget</p> <p>d) Preparation and submission of financial statements within required deadlines in the format required by the Auditor General</p>
1.5 Manage all assets and insurance of Council so that there is adequate cover.	30 June 2012	<p>a) Asset risk management strategy should be developed.</p> <p>b) Develop an asset register</p>



OBJECTIVES	DATE	KEY PERFORMANCE INDICATOR
1.6 Manage and control revenue so that Council receives all money owed to it.	30 June 2012	<p>a)Plan developed ,approved and implemented to improve payment facilities/pay points in conjunction with other service providers. (Progress to be in line with plan).</p> <p>a)Indigents and Credit Control Policies developed and approved by Council. (Progress to be measured against policies).</p> <p>b)A Tariff Policy that differentiates various categories of consumers and areas based on services and affordability to be developed and approved by Council.</p> <p>c)Differentiated rates system to be developed and approved by Council. (Evidence of progress to be provided).</p>
1.7 Facilitate the process of building capacity in the Finance Department	30 June 2012	<p>a)Appoint interns in consultation with the Manager Corporate Services</p> <p>b)Develop and implement a mentoring programme for the interns</p> <p>c)Appoint a Deputy Chief Financial Officer</p>
1.8 To identify other sources of revenue which will improve income received by the municipality	30 June 2012	Facilitate the compilation of a comprehensive valuation roll

STRATEGIC THRUST 2 : INSTITUTIONAL TRANSFORMATION

OBJECTIVES	DATE	KEY PERFORMANCE INDICATOR
2.1 Develop and implement an Employment Equity Plan for the Council and promote adherence to the plan in the Corporate Services Department	30 June 2012	a)Plan approved by Council.
2.2 To promote and ensure that capacity is built within the institution and in the community	30 June 2012	a)Coordination of Internship/volunteer/ mentorship programmes. b)Development of a skills development plan. c)Accessing of funds for skills development from LGWSETA d) Assisting other departments in facilitating access to training for members of the community i.e SETA's and Dept. of Labour .
2.3 To lead and direct the Human Resources Section so that the HR objectives of Council are achieved.	30 June 2012	a)Develop an institutional development business plan and facilitate its implementation. b)Develop HR policies and plans. c)Facilitate change management d)Develop a policy and programmes around the issue of HIV/AIDS in the workplace e) Purchasing of software that will assist in the management and administration of Human resource related information
2.4 Lead and direct the Administration Section so that the administration objectives of Council are achieved	30 June 2012	Purchasing of software that will assist in the management, administration and distribution of information
2.5 Lead and direct the Legal Service Section so that the objectives of Council in this area are achieved.	30 June 2012	Development and review of by-laws.
2.6 Lead, direct and manage staff within Department so that they are able to meet their objectives.	30 June 2012	All subordinates to have job descriptions which are available for inspection and links to the overall strategic objectives of Department.

STRATEGIC THRUST 3 : SUSTAINABLE DEVELOPMENT AND ENVIRONMENTAL MANAGEMENT

OBJECTIVES	DATE	KEY PERFORMANCE INDICATOR
3.1 To promote a safe, clean sustainable and well managed environment in line with the Integrated Development Plan of the Municipality.	End of June 2012	a)develop and implement policies and by-laws b)provide an efficient refuse removal service in Marble Hall and Leeuwfontein and develop a plan to extend the service to Elandskraal, Matlerekeng and other areas c)Proper disposal of collected waste at registered waste sites

STRATEGIC THRUST 4 : SERVICE DELIVERY EXCELLENCE , CUSTOMER SERVICE AND BATHO PELE

OBJECTIVES	DATE	KEY PERFORMANCE INDICATOR
4.1 To strive to provide services to the municipality's customers in an effective and efficient manner	30 June 2012	a)Conduct customer survey to determine service and support satisfaction level : <ul style="list-style-type: none"> <li>❖ Employees</li> <li>❖ Departments</li> <li>❖ Senior Management</li> <li>❖ Labour</li> <li>❖ Political Structures</li> </ul> b) Training, awareness and implementation of BathoPele principles c)Establish suggestion boxes

## STRATEGIC THRUST 5 : ACCESS TO BASIC SERVICES

OBJECTIVES	DATE	KEY PERFORMANCE INDICATOR
5.1 Prepare and facilitate the implementation of strategic plans for electricity that both inform and are aligned to the Integrated Development Plan	End June 2012	<p>a)Annual electricity plan developed and approved by Council. Plan should compliment plans for municipality's growth</p> <p>b)Plan should be submitted to the District municipality and ESKOM for funding</p> <p>c)Facilitate the Provision of free basic electricity</p> <p>d)Facilitate the provision of electricity for the Marble Hall Loskop housing development project</p>
5.2 Prepare strategic plans for water and sewerage that both inform and are aligned to the Integrated Development Plan of the Municipality.	End June 2012	<p>a)Annual Water and Sanitation project Plan approved by Council and submitted to District municipality for implementation. Plan should compliment plans for the Municipality's growth.</p> <p>b)Progress against plan provided – progress to be on track with approved plan.</p> <p>c) 5-year capital plan aligned to IDP, approved by Council and reviewed annually.</p>
5.3 Plan in liaison with the District municipality for services that are within the powers and functions of the district municipality	End June 2012	a)Facilitate a service level agreement with the District for the provision of water
5.4 Prepare and implement strategic plans for roads and storm water that both inform and are aligned to the Integrated Development Plan of the Municipality.	End June 2012	<p>a)Annual roads and storm water plan approved by Council. Plan should compliment plans for the Municipality's growth.</p> <ul style="list-style-type: none"> <li>• internal roads</li> <li>• Tarring of existing gravel roads</li> <li>• Progress against plan provided – progress to be on track with approved plan.</li> </ul> <p>b)5-year capital plan aligned to IDP, approved by Council and reviewed annually.</p>

OBJECTIVES	DATE	KEY PERFORMANCE INDICATOR
5.5 Maintain the road assets so that the life cycle costs are optimized and the mobility/access needs of the population are met.	End June 2012	Maintenance of internal tarred roads as part of the urban renewal plan
5.6 Reduce the infrastructural backlogs to ensure efficient and effective provision of service for improved living conditions.	End June 2012	a)100% of capital budget to be spent. b)Facilitate process of provision of housing and the implementation process.

#### STRATEGIC THRUST 6 : PUBLIC SAFETY AND BY-LAW ENFORCEMENT

OBJECTIVES	DATE	KEY PERFORMANCE INDICATOR
6.1 Ensure the enforcement of by- laws and the prosecution of offenders.	End June 2012	Control, regulate and monitor hawkers in town (traffic/health). Identify and allocate sites. Development of infrastructure c)Determination of tariffs and registration of hawkers Develop a database of hawkers info and a plan d)10% of informal traders trained and certified. e)Assessment of which by-laws are necessary to regulate activities in the department of community services
6.2 To promote a safe and secure environment	End June 2012	a) Undertake an assessment of the status quo in terms of police stations and the problems communities are encountering and the best mechanisms to deal with the problems. b)Facilitate and ensure that Community policing forums are established Develop a crime prevention strategy

OBJECTIVES	DATE	KEY PERFORMANCE INDICATOR
6.3 Regulate and manage traffic, enforce by-laws and educate the public so that safety on the road is improved	End June 2012	a)Develop and implement targets for law enforcement to improve service delivery and increase income generated through this exercise for each official.
6.4 Oversee the management of the Licensing Section and Testing Stations so that efficient and effective license services and testing of vehicles takes place	End June 2012	a)Perform an audit of establishing the testing stations compliance with SABS requirements.
6.5 Oversee the management of disasters and safety of the residents	End June 2012	a)Facilitate discussions with the District municipality for the development of a Disaster management centre in Marble Hall. b)Investigate the feasibility of establishing an ambulance service and develop a proposal

#### STRATEGIC THRUST 7: HOUSING DELIVERY

OBJECTIVES	DATE	KEY PERFORMANCE INDICATOR
7.1 Make provision for the improvement of service delivery of low income housing for low income communities.	End June 2012	a) Evidence to be provided of housing provision for low-income communities.

#### STRATEGIC THRUST 8 : TRANSPORTATION

OBJECTIVES	DATE	KEY PERFORMANCE INDICATOR
8.1 To provide an effective and efficient transport system	End June 2012	a)Identify areas where there is a need to develop taxi and bus ranks and make applications for funding.

#### STRATEGIC THRUST 9 : ECONOMIC GROWTH AND DEVELOPMENT

OBJECTIVES	DATE	KEY PERFORMANCE INDICATOR
9.1 To empower and build the capacity of entrepreneurs so that they are able to understand and have an impact on the economic development and growth of this Municipality.	End June 2012	<p>a)Develop a database of information on the economy, skills audit.</p> <p>b)Capacity building and training of entrepreneurs</p> <p>c)Empowerment of farmers through Emerging farmers development programme</p> <p>Evidence provided (in the form of a report) to show interaction with stakeholders i.e. names and positions of people, dates of meetings, meetings initiated by, issues discussed at meetings and outcome of meetings.</p>
9.2 Facilitate and foster the economic development through planning and increased economic activity in the municipal area	30 June 2012	<p>a)Development of a unique tourism destination (mini national park, Flag Boshielo eco-tourism etc)</p> <p>e)Job creation through capital projects</p>
9.3 To preserve the heritage and culture of the municipality through promoting eco- tourism	30 May 2012	<p>a)Heritage, culture, heritage sites and cultural sites preservation.</p> <p>b)Development of a cultural village.</p>

#### STRATEGIC THRUST 10 : GOOD GOVERNANCE AND BUILDING DEMOCRACY

OBJECTIVES	DATE	KEY PERFORMANCE INDICATOR
10.1 To promote effective and efficient communication both internally and externally	30 June 2012	a)Implementation of the communication strategy.
10.2 To ensure that there is effective and meaningful public participation by communities in Council programmes and activities	30 June 2012	<p>a)Provide institutional support to ward committees</p> <p>b)Outreach programme by the Mayor</p>

OBJECTIVES	DATE	KEY PERFORMANCE INDICATOR
10.3 Develop an IDP that ensures the activities of the municipality and its resource allocation are aligned to political priorities and community needs taking into account human resource and financial constraints	30 June 2012	Evidence to be provided of public participation and communication of the process to stakeholders e.g. publicity of information in the media, guidelines for councillors and staff, etc.

#### STRATEGIC THRUST 11 : STRATEGIC MANAGEMENT

OBJECTIVES	DATE	KEY PERFORMANCE INDICATOR
11.1 Develop an IDP that ensures the activities of the municipality and its resource allocation are aligned to political priorities and community needs taking into account human resource and financial constraints	30 June 2012	a) Planning process approved by Council. b) Evidence to be provided of education /support given to councilors and ward committee members during the planning process e.g. Councilors training programmes, etc. c) Development of Ward level IDP d) Facilitating the drafting of Annual municipal and Departmental business plans

#### STRATEGIC THRUST 12 : FIGHTING POVERTY AND PROMOTING HUMAN DEVELOPMENT

OBJECTIVES	DATE	KEY PERFORMANCE INDICATOR
12.1 Lead and direct the Community Services for the Municipality so that the key strategic objectives in relation to Welfare are achieved.	End June 2012	a) Initiate and facilitate food security projects in each ward. b) Facilitate the provision of shelter, sanitation, water and safety at pension pay points

#### STRATEGIC THRUST 13 : HIV/AIDS PREVENTION AND MANAGEMENT

OBJECTIVES	DATE	KEY PERFORMANCE INDICATOR
13.1 Lead and direct the Community services for the Municipality so that the key strategic objectives in relation to Health are achieved	End June 2012	a) Develop and implement an HIV/AIDS strategy b) Coordinate the activities of NGO's, CBO's and other interest groups so that there is an integrated approach in dealing with HIV/AIDS and other social issues



# Chapter 4

## CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

### (PERFORMANCE REPORT PART II)

#### INTRODUCTION

Organisation performance are as follows

T4.0.1

Project	Target Date	Key Performance Indicators	Performance status 30/6/12	Performance status 30/6/11	Measures to improve performance & performance of service providers
1. Strategically manage the use of Council resources so that an economic, effective and efficient service is delivered.	End of June 2012	Implementation of Urban renewal plan. Implementation of Revenue Enhancement strategy. Implementation of Supply chain management Policy. Capital Program developed and approved. 100% of capital budget to be spent. Progress against plan to be provided. Functioning of the Performance Audit Committee.	Organic farming project funded by DTI R25m over 3 years 8 farms established and 138 permanent jobs created  SCM policy reviewed and revenue enhancement strategy drafted  Audit committee in place and functioning	Organic farming project funded by DTI R25m over 3 years. 4 farms established and 109 permanent jobs created. SCM policy reviewed and 3 bid committees functioning. 97% of capital budget spent Audit committee in place and functioning	To do reference checks with previous work done in order to ensure good quality work
2. Ensure the provision of efficient and effective service	End of June 2012	Integrated Development Plan (IDP) submitted and approved by	IDP adopted by council on 31 May 2012 and submitted to COGHSTA and	IDP adopted by Council on 20 April 2011 and submitted to DLGH and	

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delivery to the community so that the requirements in the IDP are met in relation to public safety, health, water, waste and electricity, roads, community services and local economic development, communications and planning.		<p>Council.</p> <p>Comprehensive Public Participation in IDP Process to be substantiated.</p> <p>Evidence to be provided that IDP is integrated with organisational Performance Management System.</p> <p>Five year strategic plan and Council's vision for long term development submitted and approved by Council</p>	<p>NAS/Prov treasury</p> <p>PMS intergrated with SDBIP and IDP</p> <p>Strategic planning meeting held and Mission and vision confirmed</p>	<p>Prov/Nas Treasury</p> <p>PMS integrated with SDBIP and IDP.</p> <p>Strategic planning workshop held with councilors on 8 -9 February 2011 and strategies and vision form part of IDP approved by Council on 20 April 11.</p>	
3. Maintain overall responsibility as chief accounting officer for all income and expenditure of the Municipality, all assets and the discharge of all liabilities, and proper compliance with prevailing legislation Act.	End of June 2011	<p>Budget is aligned to priorities of IDP.</p> <p>Budget approved prior beginning of financial year.</p> <p>Budget submitted in the reformed format required by Treasury and Auditor General.</p>	<p>Budget approved on 31 May 2012 in terms of MFMA and is aligned to priorities in the IDP</p> <p>Budget submitted to Provincial and National treasury in June 2012</p>	<p>Budget approved on 20 April 11 in terms MFMA and is aligned to priorities in the IDP.</p> <p>Budget submitted to Provincial and National treasury as well as Auditor General on 10 May 2011</p>	
4. Lead, direct and manage senior staff so that they are	End of June 2011	Every direct report has a performance agreement and performance plan	Performance agreements and plan compiled	Performance agreements and plan compiled	

# Chapter 4

able to meet their objectives.		<p>which is linked to the IDP and have managed it.</p> <p>Formal performance feedback sessions held with direct reports every six (6) months. (Proof)</p> <p>Monthly meetings with HOD's were held (Minutes).</p>	<p>and linked to IDP</p> <p>Performance feedback sessions held with unit managers in October 11 and February 2012.</p> <p>Monthly meetings held with H.O.D's.</p> <p>Performance evaluation committee established and received training.</p>	<p>and linked to IDP</p> <p>Performance feedback sessions held with unit managers in October 10 and February 2011.</p> <p>Monthly meetings held with H.O.D's.</p> <p>Performance evaluation committee established and received training.</p> <p>PMS reviewed on 25/11/10</p>	
5. Ensure good governance within the Municipality so that transparency, public accountability, access to information, administrative justice and responsiveness to complaints are dealt with in terms of the relevant legislation.	End of June 2011	<p>Develop an action plan to address audit opinions as per Annual Auditor General Audit Report.</p> <p>Submission of progress reports to Council quarterly</p>	<p>Audit opinion has been received and action plan compiled.</p> <p>Monthly reports are submitted to council</p>	<p>Audit opinion has been received and action plan compiled.</p> <p>Monthly reports are submitted to council</p>	
To combat and curb corruption and fraud	The approval of the plan and policy to be done	Anti-corruption and Risk management plan and policy in place	Policies approved on 23 November 2009	Policies approved on 23 November	

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	by 31 August 2012		and risk assessment done	2009	
Internal Audit Unit	Audit plan finalised by 30 September 2010.	Audit plan and charter in place Internal audit report	Audit plan and charter compiled and Risk assessment report for 2011/12 completed and submitted to Audit committee	Audit plan and charter compiled and Risk assessment report for 2010/11 completed and submitted to Audit committee on 25 March 2011.	

## COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

#### COMMENT ON VACANCIES AND TURNOVER:

Approved organogram provide for 258 posts of which 215 posts was filled at 30 June 2012. During the year there were 2 resignations, 5 retired and 3 passed away

T4.1.4

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

#### INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Job descriptions for all posts completed, Employment Equity plan compiled, Skills development plan developed, Employment assistance programme implemented, bursary fund established for staff, Internship programme implemented

T4.2.0

# Chapter 4

## 4.2 POLICIES

### COMMENT ON WORKFORCE POLICY DEVELOPMENT:

HR strategy, S&T policy, Human Resource Development & Succession policy & related matters Reviewal of Recruitment, Selection & Appointment policy and the Training policy. Reviewed Induction policy

T4.2.1.1

## 4.3 INJURIES, SICKNESS AND SUSPENSIONS

### COMMENT ON INJURY AND SICK LEAVE:

One minor injury with fracture leg off sick for 3 weeks and examined by preferred municipal Doctor

T4.3.4

### COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

No suspensions

## 4.4 PERFORMANCE REWARDS

### COMMENT ON PERFORMANCE REWARDS:

No performance rewards awarded . Performance assessment panel has been trained in the first week of August 2012 by COGHSTA and section 57 Managers will be assessed for 2011/12 financial year during September 2012

T4.4.1.1

## COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Capacity is built by sending staff on training funded from SETA as well as awarding staff bursaries

T4.5.0

# Chapter 4

## 4.5 SKILLS DEVELOPMENT AND TRAINING

### TRAINING REPORT FOR 2011-2012

NO. OF BENEFICIARIES	TYPES OF TRAINING	SERVICE PROVIDER	BUDGET SPENT
Thirty two Councilors	Induction workshop	SALGA & COGHSTA	
Cllr. Seono R Cllr. Monyamane E	Certificate Programme in Municipal Development	Wits Business School	R90 000
Mothogwane M.T. Mahlaole B.V.	Advance Certificate in Municipal Governance	University of Johannesburg	R46 000
Lekola, Makopo, Mathabathe, Rankwe, Ledwaba, Cllr Mashego, Modisha, Sebothoma, Ndobeni and Ranoto	Municipal Performance and Auditing	ARMS	R65 000
Makopo M.L. and Makgoga M.P.	Certificate Programme in Municipal Development.	Wits. Business School	R90 000
Mabotha and Mabyana	Bid Evaluation		R16 000
Lekola M., Monakedi S., Mathabathe T., Rankwe D., Malesoena P., Masha S.	Municipal Finance Management Programme	University of Pretoria	R220 000
Cllrs, Seoka, Mamogobo, Ranoto, Modisha and Phefadi	Executive Leadership Municipal Development Programme	University of Pretoria	R80 000
Masenya Ruth	Local Government Accounting Certificate.	COGHSTA	Coghsta
Mathabathe and Mohaudi R	Assets Accounting		R16280
Kekana M, Kekana R, Letswalo P, Iemekoane M, Moganedi O, and Boshielo H.	National Certificate in Municipal Governance	University of Johannesburg	R138 000
Mahlakoana, Makua, Nkadimeng and Matau P.	Public Participation	Dreamfinders	R31120
Mothogwane, Matseke, Kekana, Molefe, Ubisi, Sebei, Lekola, Letswalo, Badernhorst, Cllrs Mashego, Mamogobo and Mabaso.	Local Labour Forum Training Workshop	SALGA	SALGA
Ubisi, Molefe and Matseke	Employment Equity. Labour Relation and Diversity in Management	Profounder	R24 000
Mahlangu, Mamahlodi, Mahlaole, Molefe and Steyn	Employee Assistance Programme	University of Pretoria	R30 000
Mampuru P and Madisha P,	IT Technical Workshop	ITNA	R13 000
Mkhwanazi R	IT Managers Workshop	ITNA	R6500

# Chapter 4

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

### INTRODUCTION TO WORKFORCE EXPENDITURE

T4.6.

#### 4.6 EMPLOYEE EXPENDITURE

Expenditure for employee related costs for 2011/12 is R42 028 which is 34% of budget

T4.6.1

#### COMMENT ON WORKFORCE EXPENDITURE:

Expenditure is in line with the norm and every year increases is awarded according to bargaining council awards

T4.6.1.1

#### COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

No upgraded posts

T4.6.5

#### DISCLOSURES OF FINANCIAL INTERESTS

Disclosure of interest forms were completed by all Councillors Managers and staff

T4.6.6

# Chapter 5

## CHAPTER 5 – FINANCIAL PERFORMANCE

### INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

## COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

### INTRODUCTION TO FINANCIAL STATEMENTS

The Ephraim Mogale Local Municipality handed over the Annual Financial Statements to the Auditor General as per the Municipal Finance Management Act on the 31 August 2012 for the financial year 2011/12.



# Chapter 5

## 5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Description	2010/11	Current Year 2011/12			2011/12 Variance	
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Actual	Original Budget (%)	Adjustment Budget (%)
<b>Financial Performance</b>						
Property rates	10,565	11,786	11,786	11,216	-0,05%	-0,05%
Service charges	28,337	37,550	37,550	33,149	-0,12%	-0,12%
Investment revenue	998	1,104	1,104	923	-0,16%	-0,16%
Transfers recognised - operational	85,784	69,552	69,552	80,291	0,15%	0,15%
Other own revenue	7,788	17,184	27,219	10,780	-0,37%	-0,34%
<b>Total Revenue (excluding capital transfers and contributions)</b>	133,453	137,175	152,839	136,359	0%	0%
Employee costs	34,315	42,028	41,721	38,497	-0,08%	-0,07%
Remuneration of councillor's	6,679	8,399	8,399	8,867	0,6%	0,6%
Depreciation & asset impairment	32,575	2,317	2,317	35,883	15,18%	15,18%
Finance charges	1,200	–	–	1,012	100,00%	100,00%
Materials and bulk purchases	14,724	19,220	19,220	17,671	0,08%	0,08%
Transfers and grants	2,863	–	–	624	100,00%	100,00%
Other expenditure	46,780	34,784	81,182	34,138	0,27%	0,23%
<b>Total Expenditure</b>	139,145	106,748	152,839	145,855	0,39%	0,38%
<b>Surplus/(Deficit)</b>	(2,663)	30,427	28,709	11,829	-1,15%	-1,16%
Transfers recognised - capital	14,859	17,871	17,871	12,143	-0,26%	-0,32%
Contributions recognised - capital & contributed assets	5,217	11,742	10,838	7,004	-0,40%	-0,35%

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<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	17,413	2,217	0	14,551	5,56%	100%
Share of surplus/ (deficit) of associate	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	17,413	2,217	0	14,551	5,56%	100%
<b><u>Capital expenditure &amp; funds sources</u></b>						
<b>Capital expenditure</b>	20,076	28,210	28,709	19,147	-0,32%	-0,33%
Transfers recognised - capital	14,859	16,468	17,871	12,143	-0,26%	-0,32%
Public contributions & donations	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-
Internally generated funds	5,217	11,743	10,838	7,004	-0,40%	- 0,35%
<b>Total sources of capital funds</b>	20,076	29,594	28,709	19,147	-0,32%	-0,33%
<b><u>Financial position</u></b>						
Total current assets	19,797	34,430	154,930	23,996	-0,84%	-0,30%
Total non-current assets	859,744	117,055	864,000	842,228	6,18%	-0,03%
Total current liabilities	24,063	4,080	4,480	30,644	6,51%	6,84%
Total non-current liabilities	6,503	7,100	6,600	-	0,00%	0,00%
Community wealth/Equity						
<b><u>Cash flows</u></b>						
Net cash from (used) operating	32,839	61,346	61,346	32,840	0.11%	-0,46%
Net cash from (used) investing	(20,401)	(7,025)	(7,025)	(18,828)	-0,31%	-1,68%
Net cash from (used) financing	(464)	753	753	(8,830)	-22,64%	-12,72%
<b>Cash/cash equivalents at the year end</b>	5,182	55,073	73,430	13,230	-0,75%	-0,819%

# Chapter 5

<b><u>Cash backing/surplus reconciliation</u></b>						
Cash and investments available	7,052	7,000	12,000	13,230	0,89%	0,10%
Application of cash and investments		(18,752)	(11,990)	-	0,0%	0,0%
<b>Balance - surplus (shortfall)</b>	<b>7,052</b>	<b>25,752</b>	<b>123,990</b>	<b>13,230</b>	<b>-0,48%</b>	<b>-0,89%</b>
<b><u>Asset management</u></b>						
Asset register summary (WDV)	795,827	22,218	22,2180	776,702	6,06%	6,06%
Depreciation & asset impairment	32,575	2,317	2,317	35, 883	1,617%	1,617%%
Renewal of Existing Assets	-	-	-			
Repairs and Maintenance	3,299	8,507	8,194	6,994	-0,18%	-0,18%
<b><u>Free services</u></b>						
Cost of Free Basic Services provided	537	2,850	2,850			
Revenue cost of free services provided	10,648	9,358	9,358			
<b><u>Households below minimum service level</u></b>						
Water:	-	-	-	-		
Sanitation/sewerage:	-	-	-	-		
Energy:	-	-	-	-		
Refuse:	0	0	0	0		
Variances are calculated by dividing the difference between original/adjustments budget by the actual.						

# Chapter 5

Standard Classification Description	Ref	2010/11	Current Year 2011/12			2011/12 Variance	
R thousand	1	Audited Outcome	Original Budget	Adjusted Budget	Actual	Original Budget (%)	Adjustment Budget (%)
<b><u>Expenditure - Standard</u></b>	-						
<b><i>Governance and administration</i></b>		<b>66,816</b>	<b>58,323</b>	<b>60,276</b>	<b>81,805</b>	<b>40%</b>	<b>36 %</b>
Executive and council		34,458	24,312	25,117	14,113	-41%	-43%
Budget and treasury office		16,749	20,460	22,029	54,526	165%	147%
Corporate services		15,609	13,552	13,130	13,166	-2%	0%
<b><i>Community and public safety</i></b>		<b>11,074</b>	<b>20,518</b>	<b>14,557</b>	<b>21,256</b>	<b>3%</b>	<b>46%</b>
Community and social services		5,283	8,424	8,503	9,299	2%	0%
Sport and recreation		--	--	--	--	--	--
Public safety		1,804	2,169	1,694	<b>811</b>	<b>-71%</b>	<b>52%</b>
Housing		3,215	9,094	3,529	<b>2,728</b>	<b>-69%</b>	<b>-2%</b>
Health		772	831	831	721	-13%	-13%
<b><i>Economic and environmental services</i></b>		<b>14,345</b>	<b>15,079</b>	<b>14,382</b>	<b>9,657</b>	<b>%</b>	<b>%</b>
Planning and development		8,491	8,821	8,636	8,846	<b>-4%</b>	<b>2%</b>
Road transport		5,854	6,258	5,746	<b>8,508</b>	<b>36%</b>	<b>48%</b>
Environmental protection		-	-	-	-	-	-
<b><i>Trading services</i></b>		<b>47,861</b>	<b>57,506</b>	<b>63,625</b>	<b>37,203</b>	<b>-34%</b>	<b>-41%</b>
Electricity		23,020	26,592	24,902	22,955	-13%	-8%
Water		-	-	-	-	-	-
Waste water management		20,248	25,569	34,007	<b>9,576</b>	<b>-62%</b>	<b>-72%</b>
Waste management		4,593	4,946	4,716	4,672	-5%	-1%
<b><i>Other</i></b>	4	-	-	-	-	-	-

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<b>Total Expenditure - Standard</b>	<b>3</b>	<b>167,133</b>	<b>152,985</b>	<b>158,551</b>	<b>149,921</b>	<b>2%</b>	<b>5%</b>
Variances are calculated by dividing the difference between original/adjustments budget by the actual.							

## COMMENT ON FINANCIAL PERFORMANCE

### REVENUE

Property rates: Revenue foregone not budgeted for

Other Income: More rental income recognised in 2011/12

Interest Income: Budgeter on incorrect investment amounts

Transfer recognised: National electrification & Rural Development Grant not received within EMLM as budgeted for

### EXPENDITURE

Employee costs: Not exceeding 10%

Council Remuneration: Travel Allowance not budgeted for

Depreciation & asset impairment: Not cashed back expenditure and not fully budgeted for

Finance charges: Finance cost not budgeted for

Other Expenditure: Lack of internal control – also refer irregular, fruitless and wasteful in AFS 3 June 2012.

# Chapter 5

## 5.2 GRANTS

Description R thousand	2010/11	Current Year 2011/12			2011/12 Variance	
	Audited Outcome	Original Budget	Adjusted Budget	Actual	Original Budget (%)	Adjustment Budget (%)
<b>RECEIPTS:</b>						
<u>Operating Transfers and Grants</u>						
<b>National Government:</b>	<b>56,950</b>	<b>62,570</b>	<b>62,570</b>	<b>62,570</b>	<b>100%</b>	<b>100%</b>
Local Government Equitable Share	52,272	60,530	60,530	60,530	0,00%	0,00%
Grant Horticultural Programme	–	–	–	–	0,00%	0,00%
FMG Grant	1,000	1,250	1,250	1,250	0,00%	0,00%
MSIG Grant	750	790	790	790	0,00%	0,00%
National Electrification grant (DME)	3,000	–	–	–	–	–
<b>Provincial Government:</b>	–	–	–	–	–	–
<b>District Municipality:</b>	–	–	–	–	–	–
<i>[insert description]</i>	–	–	–	–	–	–
<b>Other grant providers:</b>	–	–	–	–	–	–
<i>[insert description]</i>	–	–	–	–	–	–
<b>Total Operating Transfers and Grants</b>	<b>56,950</b>	<b>62,570</b>	<b>62,570</b>	<b>62,570</b>	<b>100%</b>	<b>100%</b>
Variances are calculated by dividing the difference between original/adjustments budget by the actual.						

# Chapter 5

## COMMENT ON OPERATING TRANSFERS AND GRANTS:

All Grants received for the year under review were recognized as revenue and MIG was underspent by R5 728 238, which represent 32% of the MIG allocation received.0920

Grants received from Sources Other Than Divisional Revenue (DORA)						
Detail of Donor	Audited Outcome	Actual Grant 2011/12	2011/12 Municipal Contribution	Date Grant Terminates	Date Municipal Contribution Terminates	Nature and Benefit from Grant received, include description of any contributions in kind
<b><u>Parastatals</u></b>						
A – “Project 1”	–	–	–	N/A*	N/A	N/A
A – “Project 2”	–	–	–	N/A	N/A	N/A
B – “Project 1”	–	–	–	N/A	N/A	N/A
B – “Project 2”	–	–	–	N/A	N/A	N/A
<b><u>Foreign Government/Development Aid Agencies</u></b>						
A – “Project 1”	–	–	–	N/A	N/A	N/A
A – “Project 2”	–	–	–	N/A	N/A	N/A
B – “Project 1”	–	–	–	N/A	N/A	N/A
B – “Project 2”	–	–	–	N/A	N/A	N/A
<b><u>Private Sector/Organisations</u></b>						
A – “Project 1”	–	–	–	N/A	N/A	N/A
A – “Project 2”	–	–	–	N/A	N/A	N/A
B – “Project 1”	–	–	–	N/A	N/A	N/A
B – “Project 2”	–	–	–	N/A	N/A	N/A
<i>Provide a comprehensive response to this schedule</i>						

# Chapter 5

Insert table note advising municipalities to indicate high value projects & total the remaining projects.

## COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

N/A – Ephraim Mogale Local Municipality has not received any other grant revenue from other sources other than Divisional Revenue (DORA) for the period under review 2011/12

T5.2.4

## 5.3 ASSET MANAGEMENT

### INTRODUCTION TO ASSET MANAGEMENT

The municipality capitalized all completed projects during the year under review. Below is a detailed description of the three largest projects.

T5.3.1

### TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2011/12

#### Asset 1

Name	Moganyaka Access Road			
Description	Road construction			
Asset type	Infrastructure			
Key Staff Involved	Director Technical Services, PMU Manager			
Staff Responsibilities	<p>Director Technical Services- oversees the overall works of the projects regarding Project management, Financial management, Physical progress, quality management and time management. Also ensure process controls, compliance in terms of applicable legislations, meeting facilitation and site visits.</p> <p>PMU manager- Oversee Planning, Design, Implementation and Closure of the project. Meeting coordination, site visits and progress monitoring. Report writing and financial control.</p>			
Asset Value	2008/09	2009/10	2010/11	2011/12
			300 000	5 046 000
Capital Implication				
Future Purpose of Asset				
Describe Key Issues				



# Chapter 5

Policies in Place to Manage Asset	SCM Policy, Asset Management Policy			
Asset 2				
Name	Marble Hall Stormwater			
Description	Stormwater Upgrade			
Asset type	Infrastructure			
Key Staff Involved	Director Technical Services, PMU Manager			
Staff Responsibilities	Director Technical Services- oversees the overall works of the projects regarding Project management, Financial management, Physical progress, quality management and time management. Also ensure process controls, compliance in terms of applicable legislations, meeting facilitation and site visits.  PMU manager- Oversee Planning, Design, Implementation and Closure of the project. Meeting coordination, site visits and progress monitoring. Report writing and financial control.			
Asset Value	2008/09	2009/10	2010/11	2011/12
			300 000	4 000 000
Capital Implication				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset	SCM Policy, Asset Management Policy			
Asset 3				
Name	Klopper Community Hall			
Description	Construction			
Asset type	Infrastructure			
Key Staff Involved	Director Technical Services, PMU Manager			
Staff Responsibilities	Director Technical Services- oversees the overall works of the projects regarding Project management, Financial management, Physical progress, quality management and time management. Also ensure process controls, compliance in terms of applicable legislations, meeting facilitation and site visits.  PMU manager- Oversee Planning, Design, Implementation and Closure of the project. Meeting coordination, site visits and progress monitoring. Report writing and financial control.			
Asset Value	2008/09	2009/10	2010/11	2011/12
				3 500 000
Capital Implication				
Future Purpose of Asset				

# Chapter 5

Describe Key Issues	
Policies in Place to Manage Asset	SCM Policy, Asset Management Policy
	T5.3.2

## COMMENT ON ASSET MANAGEMENT:

The Municipality unbundled all assets as previously notified by the Auditor General to fully comply with the GRAP standards. Investment Property was not updated in Value due to an extension applied to the MEC for the implementation of the new valuation roll for financial year 2013/14. All immovable assets were verified and tagged with unique bar-coding.

T5.3.3

Repairs and Maintenance Expenditure 2011/12						
Description	2010/11	Current Year 2011/12			2011/12 Variance	
R thousand	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Original Budget (%)	Adjustment Budget (%)
Repairs and Maintenance Expenditure	3,234	8,507	8,507	8,507	100%	100%

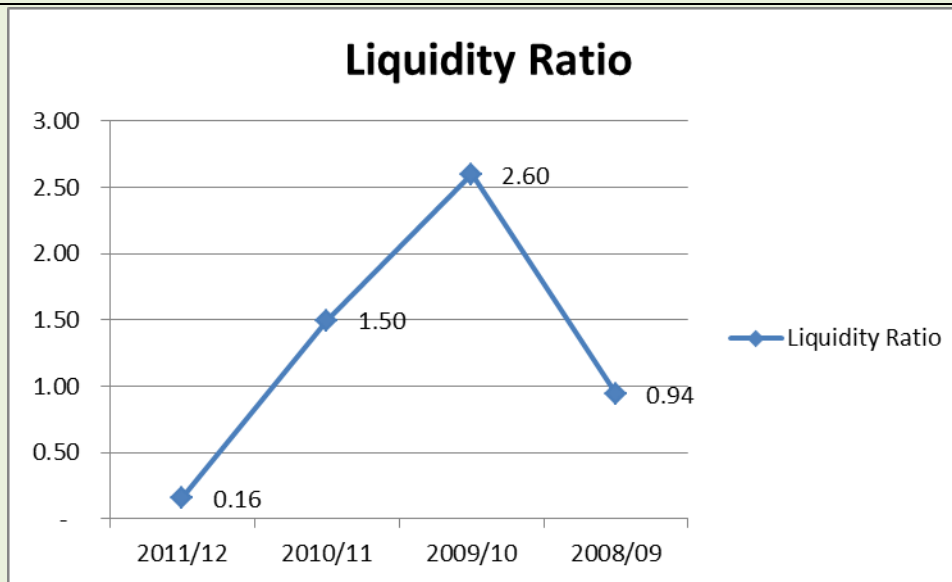
## COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

The municipality trend in repairs and maintenance expenditure is currently in the process of being improved as part of the municipality budget planning and forward planning over the medium term.

T5.3.4.1

# Chapter 5

## 5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

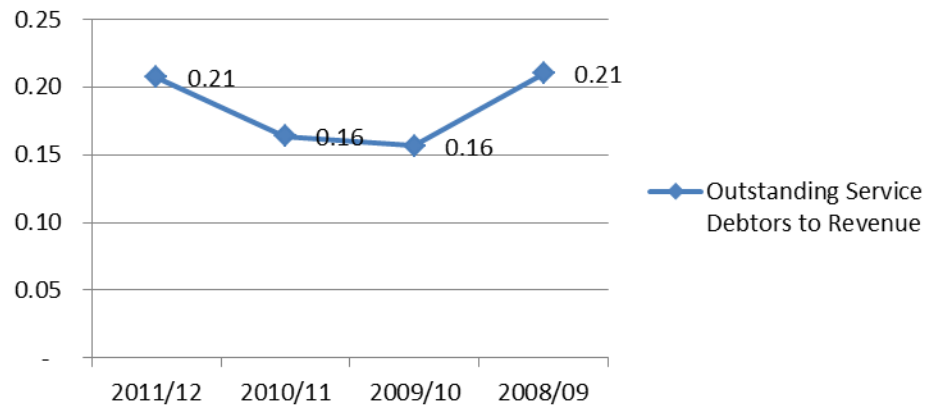


Liquidity Ratio – Measures the municipality's ability to pay its bills and is calculated by dividing the monetary assets by the municipality's current liabilities. A higher ratio is better

T5.4.1

# Chapter 5

## Outstanding Service Debtors to Revenue

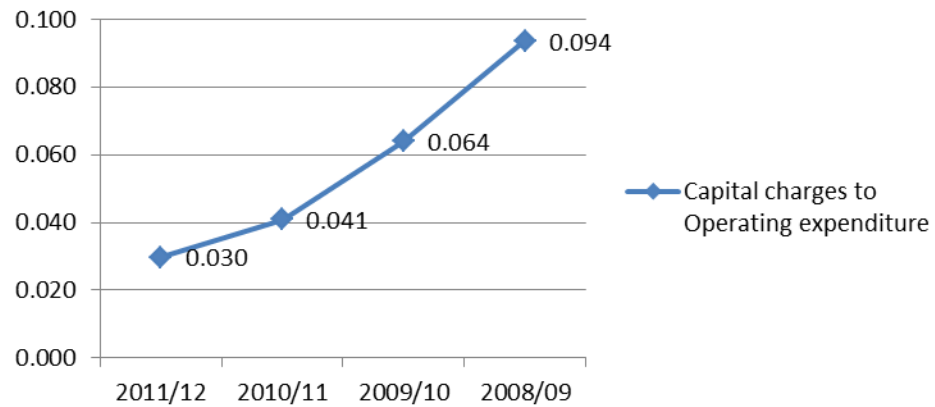


Outstanding Service Debtors to Revenue – Measures how much money is still owed by the community for electricity, waste removal and other services compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

T5.4.2

# Chapter 5

## Capital charges to Operating expenditure



Capital Charges to Operating expenditure ratio is calculated by dividing the sum of capital interest and principle by the total operating expenditure.

T5.4.5

# Chapter 5

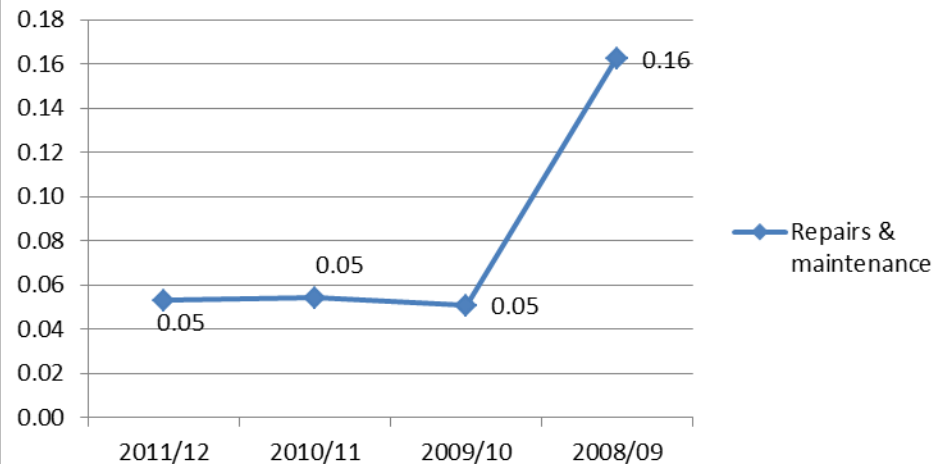


Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

T5.4.6

# Chapter 5

## Repairs & maintenance



Repairs and maintenance - This represent the proportion of Operating expenditure spent and is calculated by dividing the total repairs and maintenance.

T5.4.7

### COMMENT ON FINANCIAL RATIOS:

The liquidity of the municipality will improve as the municipality has placed stringiest internal controls over unnecessary expenditure to improve the cash flow situation. Long Term Loans were also early settled during the financial period due to positive cash flow.

T5.4.8

# Chapter 5

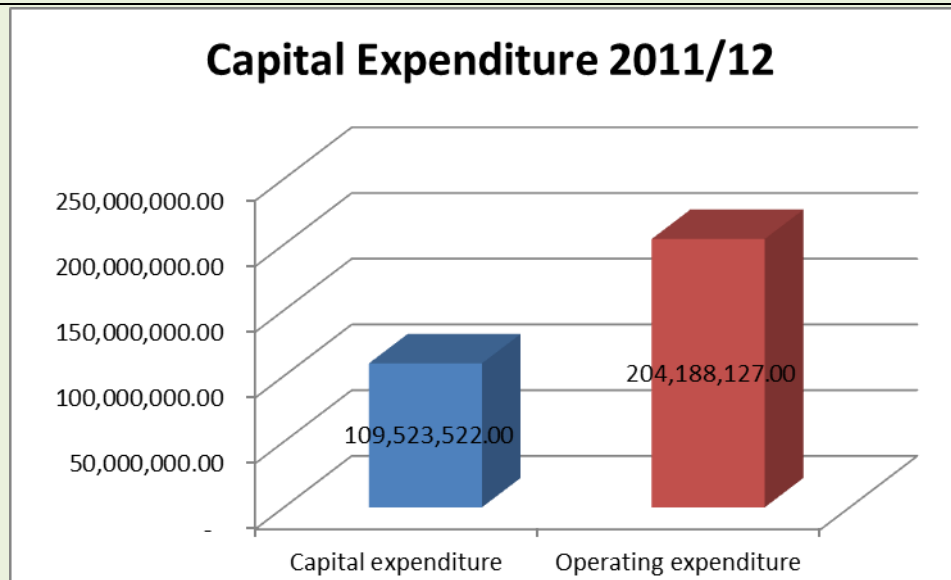
## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates to programs approved during the community consultation process and inclusive of the municipalities IDP.

T5.5.0

## 5.5 CAPITAL EXPENDITURE



T5.5.1



# Chapter 5

## COMMENT ON SOURCES OF FUNDING:

All sources of funding were only from DORA allocation and internal generated funds.

T5.6.1.1

## 5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
					R'000
Name of Project	Current Year			Variance Current Year	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment Variance (%)
A – Moganyaka Access Road	5 046 091.65	5 046 091.65	2 389 775.16	52,64%	52,64%
B – Marble Hall Storm Water	4 500 000.00	4 500 000.00	2 155 485.10	52.10%	52.10%
C – Kloppe Community Hall	4 386 600.00	4 386 600.00	3 878 321.36	11.58%	11.58%
D – Bridge Manotolwaneng	2 106 808.25	2 106 808.25	1 848 077.80	12.28%	12.28%
E – Rehabilitation Of Admin Block	2 135 461.00	2 135 461.00	1 184 375.00	44.53%	44.53%
*Project with the highest capital expenditure in 2011/12					
Name of Project - A	Moganyaka Access Road				
Objective of Project	To improve municipal roads infrastructure for socio economic growth				
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - B	Marble Hall Storm Water				
Objective of Project	To improve municipal roads infrastructure for socio economic growth				
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - C	Kloppe Community Hall				
Objective of Project	To improve municipal roads infrastructure for socio economic growth				

# Chapter 5

Delays	
Future Challenges	
Anticipated citizen benefits	
Name of Project - D	Bridge Manotolwaneng
Objective of Project	To improve municipal roads infrastructure for socio economic growth
Delays	
Future Challenges	
Anticipated citizen benefits	
Name of Project - E	Rehabilitation Of Admin Block
Objective of Project	To improve municipal roads infrastructure for socio economic growth
Delays	
Future Challenges	
Anticipated citizen benefits	
T5.7.1	

## COMMENT ON CAPITAL PROJECTS:

The municipality has tried to stick to the approved budget on the above mentioned projects and there is impact made on the projects progress as most projects are done by Phases due to limited funding. The municipality have shown improvement on the planning phase of the project as the product is received within the budgets and no more many Variation Orders. But still to improve on the implementation part as some of the projects are not delivered on time.

T5.7.1.1

# Chapter 5

## 5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

### INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Service Backlogs as at 30 June 2012				
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	15728	49%	16576	51%
Sanitation	3135	10%	29169	90%
Electricity	30696	95%	1608	5%
Waste management	2345	8%	29959	92%
Housing	24119	75%	8185	25%
%HHs are the service above/below minimum standard as a portion of total HHs. 'Housing' refers to* formal and ** informal settlements.				
T5.8.2				

#### COMMENT ON BACKLOGS:

There is progress on water supply services in eradicating the backlog. Both the water and sanitation functions are transferred to and performed by the District.

# Chapter 5

Municipal Infrastructure Grant (MIG)* Expenditure 2011/12 on Service backlogs						
Details	Budget	Adjust- ments budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
<b>Infrastructure – Road transport</b>				%	%	
<i>Roads, Pavements &amp; Bridges</i>	15 300 000.00	0	15 300 000.00	%	%	
<i>Storm water</i>	4 100 000.00	0	4 100 000.00	%	%	
<b>Infrastructure - Electricity</b>				%	%	
<i>Generation</i>				%	%	
<i>Street Lighting</i>	1 800 000.00	0	1 800 000.00	%	%	
<b>Infrastructure - Other</b>				%	%	
<i>Waste Management</i>				%	%	
<i>Transportation</i>				%	%	
<i>Gas</i>				%	%	
<b>Other Specify:</b>				%	%	
				%	%	
				%	%	
				%	%	
				%	%	
<b>Total</b>				%	%	
<p>*MIG is a government grant program designed to fund a reduction in service backlogs,  Mainly: Water, Sanitation, Roads, Electricity on new, upgraded and renewed  Infrastructure is set out at Appendix M; note also the calculation of the variation.  Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</p>						

T5.8.3

# Chapter 5

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

#### 5.9 CASH FLOW

Cash Flow Outcomes		
Description	2010/11	Current Year 2011/12
	Audited Outcome	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Receipts</b>		<b>136 028 659</b>
Sale of goods and services	-	
Receipts from Government Grants, customers	129 448 714	126 523 325
Interest	998 515	4 115 578
Other income	-	1 058 333
Licences and Permits	-	4 331 498
<b>Payments</b>	<b>(106 198 268)</b>	<b>(103 188 859)</b>
Employee costs, cash payment to suppliers	(104 998 075)	(102 176 797)
Finance charges	(1 200 193)	(1 012 062)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>24 248 961</b>	<b>32 839 800</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
<b>Receipts</b>		
Proceeds on disposal of PPE	(110 826)	318 929
<b>Payments</b>		
Capital Assets	(17 119 822)	(19 147 381)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(17 230 648)</b>	<b>(18 828 452)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Receipts</b>		
Short term loans		
Borrowings long term/refinancing		
Increase/(decrease in consumer deposits		

# Chapter 5

<b>Payments</b>		
Repayment of other financial liabilities	(464 831)	(8 829 725)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(464 831)</b>	<b>(8 829 725)</b>
NET INCREASE/(DECREASE) IN CASH HELD	6 553 482	5 181 623
Cash/cash equivalents at the year begin	1 494 608	8 048 090
<b>Cash/cash equivalents at the year end:</b>	<b>8 048 090</b>	<b>13 229 713</b>
Source: MBRR SA7	T5.9.1	

## COMMENT ON CASH FLOW OUTCOMES:

Management had to release funds from investments to make payments towards redemption of long term financial liabilities.

T5.9.1.1

# Chapter 5

## 5.10 BORROWING AND INVESTMENTS

### BORROWING AND INVESTMENTS

#### COMMENT ON BORROWING AND INVESTMENTS:

The municipality did not conclude any funding instruments during the financial year. The existing long term liabilities were settled and paid off. No Long term liabilities or investments existed at reporting date.

T5.10.5

# Chapter 5

## 5.11 PUBLIC PRIVATE PARTNERSHIPS

### PUBLIC PRIVATE PARTNERSHIPS

PPP's concluded with DRT for testing station, TCS for Traffic contravention system, ESKOM for funding agreement FBE, ABSA for fleet management services and e-tag, UD trucks for maintenance agreement, CONLOG for prepaid meters and utility prepayment tokens via vending channels, SABINET ONLINE for SA Gazettes, DPW for EPWP grant program, SUECOLL for security service, Marble Hall landgoed for services agreement, SS Ntike for organic farming project, Munsoft for disaster recovery private network of the municipality and backup data off-site, SOFTLINE software licence agreement, Protea Coin for transport and storage of money, Bentley systems for GIS software, HCIT solutions for wireless network, Primedia outdoor for illuminated street identification signs, VODACOM for airtime agreement for cellular services, WALTRAMA KGATLA for debt collection contract, State Information Technology Agency (PTY) LTD for website maintenance, LOSKOP alarms for alarm system, Kgatla Incorporated for panel attorney, Business engineering for electronic document management system, FRANCOTYP/POSTALIA for franking machine, TELKOM for electronic communication service, SCI FIN for photo copier machines, Nashua for fax machine and printers.

T5.11



# Chapter 5

## COMPONENT D: OTHER FINANCIAL MATTERS

### 5.12 SUPPLY CHAIN MANAGEMENT

#### SUPPLY CHAIN MANAGEMENT

The Supply Chain Policy of the municipality is currently under review to ensure compliance with Legislation. Officials of the municipality also attended courses during the year to ensure all officials within the SCM obtain the required competency levels. There are no Councillor's serving on any of the Committee structures which are approved and in place for the financial year.

### 5.13 GRAP COMPLIANCE

#### GRAP COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications. The municipality had to fully comply with all the GRAP standards for the financial year under review and was assisted by both National and Provincial Departments to ensure compliance with the Standard.

T5.1

## INTRODUCTION TO FINANCIAL STATEMENTS

Note: Statements of Revenue Collection Performance by vote and by source are included at **Appendix K**.

### 5.1 CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

#### INTRODUCTION

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA S45 states that the results of performance measurement must be audited annually by the Auditor-General.

T6.0.1

#### COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2011/12

### 6.1 AUDITOR GENERAL REPORTS 2011/12

# Chapter 5

## COMPONENT B: AUDITOR-GENERAL OPINION 2011/12

### 6.2 AUDITOR GENERAL REPORT 2011/12

#### AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS 2011/12

#### REPORT OF THE AUDITOR-GENERAL TO THE LIMPOPO PROVINCIAL LEGISLATURE AND THE COUNCIL ON EPHRAIM MOGALE LOCAL MUNICIPALITY

#### REPORT ON THE FINANCIAL STATEMENTS

##### Introduction

1. I have audited the accompanying financial statements of Ephraim Mogale Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2012, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

##### Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2010 (Act No. 1 of 2010) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

##### Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
4. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

# Chapter 5

## Basis for Qualified opinion

### Investment property

5. The municipality did not determine the fair value of investment property accounted for under the fair value model, in accordance with Standards of Generally Recognised Accounting Practice, GRAP 16, *Investment Properties*. Furthermore not all investment property registered in the name of the municipality could be traced to the asset register of the municipality. The municipality's records did not permit the application of alternative procedures. Consequently I could not satisfy myself as to the valuation, allocation and completeness of investment property of R63 917 414 as disclosed in note 3 to the financial statements

### Property plant and equipment (PPE)

6. I was unable to obtain sufficient appropriate audit evidence for an amount of R2 648 136 of additions included in property, plant and equipment balance of R778 310 998 disclosed in note 4 to the financial statement. The municipality's records did not permit the application of alternative procedures. Consequently I was unable to determine whether any adjustments relating to property plant and equipment in the financial statements was necessary.
7. Standards of Generally Recognised Accounting Practice, GRAP 17: *Property Plant and Equipment*, GRAP 17 requires that where an asset is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition. The municipality did not value land of R865 300 at acquisition included in land and buildings of R28 839 539 at fair value as required in terms of GRAP 17. Consequently, I did not obtain sufficient appropriate audit evidence to satisfy myself as to the valuation of land and buildings.
8. The municipality capitalised work in progress of R504 061 relating to projects that was not complete as property, plant and equipment. Consequently property, plant and equipment as disclosed is overstated and work in progress is under stated by R504 061.
9. The nature of the municipality's accounting records did not facilitate an easy identification and location of assets recorded in the financial statements. There were a significant number of assets which I identified that were not included in the accounting records of the municipality and not all land registered in the name of the municipality could be traced to the asset register of the municipality. Consequently, I did not obtain sufficient appropriate audit evidence to satisfy myself as to the existence, valuation and allocation and completeness of the tangible capital assets stated at R778 310 998 (2011: R795 826 873) in the financial statements

### Depreciation

10. Standards of Generally Recognized Accounting Practice, GRAP 17: *Property Plant and Equipment* describes land and buildings as separable assets and is accounted separately, even when they are acquired together. The municipality did not account for land and buildings separately in note 4 to the financial statements as required by GRAP 17. Furthermore GRAP 17 states that land has an unlimited useful life and therefore is not depreciated. Contrary to the requirements of the SA Standards of GRAP 17, the municipality has depreciated land by R1 608 500. Consequently, depreciation as disclosed in note 29 to the financial statements is overstated by R1 608 500 and land is understated by the same amount.
11. The municipality did not accurately calculate the depreciation on property, plant and equipment for the current year. I have recalculated the depreciation for the current year and a misstatement was identified. Depreciation as disclosed of R35 882 761 is overstated by R724 200. Consequently, I could not verify the accuracy of depreciation for the current year as disclosed in note 29 to the financial statements.

# Chapter 5

## **Commitments**

12. No contract management system was in place for the identification and recognition of contracts and there were no satisfactory alternative audit procedures that I could perform to obtain reasonable assurance that all commitments were properly recorded. Consequently, I was unable to obtain sufficient appropriate audit evidence to satisfy myself as to the completeness of commitments of R9 265 454, as stated in note 43 to the financial statements. Furthermore the municipality incorrectly included Value Added Tax VAT receivable (2011: R1 531 241) and VAT payable of R873 785 as commitments.

## **Payables from exchange transactions**

13. Included in Trade and other payables of R14 947 198 as disclosed in note 14 to the financial statements is expenditure of R4 263 440 that has been recognised excluding value added tax (VAT) trade and other payables is understated and expenditure is overstated by R556 670. Furthermore leave provision has been calculated incorrectly and is understated by R709 467 as the incorrect leave days were used during the calculation. Consequently I did not obtain sufficient appropriate audit evidence to satisfy myself as to the valuation and existence of payables from exchange transactions as disclosed in the financial statements.
14. The municipality did not accrue for invoices in respect of goods and services received amounting to R1 508 582. Had these invoices been accrued for, the effect would have been to reduce the surplus for the period and the accumulated surpluses by R1 508 582 and to increase the accrued liability in the statement of financial position by an equal amount.
15. The municipality could not provide sufficient appropriate audit evidence for the amount of R846 970 identified as a misstatement in the prior period. Consequently I was unable to determine whether any adjustment relating to trade and other payables in the financial statements was necessary.

## **Expenditure**

16. The municipality could not provide sufficient appropriate audit evidence to support payments of R310 152 in respect of goods and services. There were no satisfactory alternative audit procedures that I could perform to obtain reasonable assurance that all goods and services were properly recorded. Consequently, I did not obtain sufficient appropriate audit evidence to satisfy myself as to the occurrence, and accuracy of goods and services.

## **Value Added Tax (VAT)**

17. The municipality entered into an agency agreement with its district municipality for the provision of water services. As the agent, the municipality has accounted for VAT on the water transactions in contravention with the VAT Act. The municipality also entered in to an agency agreement with the department of roads and transport for the collecting of license fees and issuing licenses and permits on behalf of the provincial government. The municipality did not account for output tax on the commission or agency fees for the services rendered in contravention with VAT act. Furthermore there were unexplained differences between the VAT returns, the amount disclosed in the financial statements and the amount accounted for in the general ledger. The municipality's records did not permit the application of alternative procedures regarding the VAT disclosed in the financial statements. Consequently, I was unable to determine the correct amount of the VAT payable balance of R873 785 (2012) and VAT receivable balance of R1 531 241 (2011) as disclosed in note 15 and 9 to the financial statements.

# Chapter 5

## **Irregular expenditure**

18. Section 125(2)(d) of the MFMA requires the municipality to implement and maintain an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective. Payments amounting to R5 265 026 were made in contravention of the supply chain management requirements and was not disclosed note 44 to the financial statements. Furthermore, the municipality could not provide sufficient appropriate audit evidence to prove that the allocation of contracts amounting to R26 220 687 were awarded in accordance with supply chain management regulations. Consequently, I was unable to obtain sufficient appropriate audit evidence to satisfy myself as to the completeness of irregular expenditure.

## **Employee related costs**

19. Employee related costs of R47 364 117 as disclosed in note 24 to the financial statements does not agree to the balance of R47 060 309 per the underlying accounting records. The municipality did not reconcile the difference of R303 808 between the financial statements and the underlying records. Consequently, employee related costs are understated by R303 808.
20. I was unable to obtain sufficient appropriate audit evidence for an amount of R259 930 included in the employee related costs. The municipality's records did not permit the application of alternative procedures. Consequently I was unable to determine whether any adjustment relating to employee related costs in the financial statements was necessary.

## **Unspent conditional grants**

21. I was unable to obtain sufficient appropriate audit evidence for an amount of R656 089 between the conditional grant expenditure of R12 798 849 recognised in the general ledger and the amount of R12 742 762 recognised as revenue. The municipality did not perform a reconciliation to determine the effect of the reconciling items and consequently could not provide explanations for the reconciling difference of R656 089. Consequently I could not satisfy myself as to the accuracy of unspent conditional grants as disclosed.

## **Opinion**

22. In my opinion, except for the possible effects of the matters described in the Basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Ephraim Mogale Local municipality as at 30 June 2012, and its financial performance and cash flows for the year then ended, in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA.

## **Emphasis of matters**

23. I draw attention to the matters below. My opinion is not modified in respect of these matters

## **Restatement of corresponding figures**

24. As disclosed in note 36 to the financial statements, the corresponding figures for 30 June 2011 have been restated as a result of an error discovered during 2012 in the financial statements of the Ephraim Mogale Local Municipality at, and for the year ended, 30 June 2011.

# Chapter 5

## Material impairments

25. As disclosed in note 10 to the financial statements, material impairments to the amount of R17 378 275 were incurred as a result of impairment of irrecoverable trade debtors.

## Unauthorised expenditure

26. The municipality incurred unauthorised expenditure of R37 491 261 as disclosed in note 40 due to overspending of the budget.

## Additional matter

27. I draw attention to the matters below. My opinion is not modified in respect of this matter:

## Unaudited supplementary schedules

28. The supplementary information set out on pages XX to XX does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

29. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

## Predetermined objectives

30. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages XX to XX of the annual report.
31. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury annual reporting principles and whether the reported performance is consistent with the planned development priorities or objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information (FMPPPI)*.

The reliability of the information in respect of the selected development priorities is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

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THE MATERIAL FINDINGS ARE AS FOLLOWS:

## USEFULNESS OF INFORMATION

### PRESENTATION

#### MEASURES TO IMPROVE PERFORMANCE NOT DISCLOSED

32. Improvement measures in the annual performance report for a total of 100% of the planned targets of Water infrastructure, Sanitation, Electricity, Road and storm water, Waste management and refusal disposal, Local development and job creation, Education, Organizational infrastructure and assets and Financial management not achieved were not disclosed as required by section 46 of the Municipal Systems Act (MSA). This was due to inadequate internal policies and procedures over the processes pertaining to the reporting of performance information.

#### Consistency

##### Reported objectives, indicators and targets not consistent with planned objectives, indicators and targets

33. The MSA section 41(c) requires that the actual achievements against all planned indicators and targets must be reported annually. The annual performance report submitted for audit purposes did not include the actual performance of 100% of Water infrastructure, Sanitation, Electricity, Road and storm water, Waste management and refusal disposal, Local development and job creation, Education, Organizational infrastructure and assets and Financial management objectives specified in the integrated development plan for the year under review. This was due to lack of monitoring of the completeness of reporting documents by management.

#### Measurability

##### Performance targets not specific

34. The National Treasury *Framework for managing programme performance information (FMPPi)* requires that performance targets be specific in clearly identifying the nature and required level of performance. 100% of the targets relevant to Water infrastructure, Sanitation, Electricity, Road and storm water, Waste management and refusal disposal, Local development and job creation, Education, Organizational infrastructure and assets and Financial management objectives were not specific in clearly identifying the nature and the required level of performance. This was due to the fact that management was aware of the requirements of the *FMPPi* but chose not to apply the principles contained in the *FMPPi*.

##### Performance targets not measurable

35. The National Treasury *FMPPi* requires that performance targets be measurable. The required performance could not be measured for a total of 100% of the targets relevant to Water infrastructure, Sanitation, Electricity, Road and storm water, Waste management and refusal disposal, Local development and job creation, Education, Organizational infrastructure and assets and Financial management objectives. This was due to the fact that management was aware of the requirements of the *FMPPi* but chose not to apply the principles contained in the *FMPPi*.

##### Performance targets not time bound



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36. The National Treasury *FMPPi* requires that the time period or deadline for delivery be specified. A total of 100% of the targets relevant to Water infrastructure, Sanitation, Electricity, Road and storm water, Waste management and refusal disposal, Local development and job creation, Education, Organizational infrastructure and assets and Financial management objectives were not time bound in specifying a time period or deadline for delivery. This was due to the fact that management was aware of the requirements of the *FMPPi* but chose not to apply the principles contained in the *FMPPi*.

## **Performance indicators not well defined**

37. The National Treasury *FMPPi* requires that indicators should have clear unambiguous data definitions so that data is collected consistently and is easy to understand and use. A total of 100% of the indicators relevant to Water infrastructure, Sanitation, Electricity, Road and storm water, Waste management and refusal disposal, Local development and job creation, Education, Organizational infrastructure and assets and Financial management objectives were not well defined in that clear, unambiguous data definitions were not available to allow for data to be collected consistently. This was due to the fact that management was aware of the requirements of the *FMPPi* but chose not to apply the principles contained in the *FMPPi*.

## **Performance indicators not verifiable**

38. The National Treasury *FMPPi* requires that it must be possible to validate the processes and systems that produce the indicator. A total of 100% of the indicators relevant to Water infrastructure, Sanitation, Electricity, Road and storm water, Waste management and refusal disposal, Local development and job creation, Education, Organizational infrastructure and assets and Financial management objectives were not verifiable in that valid processes and systems that produce the information on actual performance did not exist. This was due to the fact that management was aware of the requirements of the *FMPPi* but chose not to apply the principles contained in the *FMPPi*.

## **Relevance**

### **Performance indicators not relevant**

39. The National Treasury *FMPPi* requires that the indicator should relate logically and directly to an aspect of the institution's mandate, the realisation of strategic goals and objectives. A total of 100% of indicators of Water infrastructure, Sanitation, Electricity, Road and storm water, Waste management and refusal disposal, Local development and job creation, Education, Organizational infrastructure and assets and Financial management did not relate logically and directly to an aspect of the institution's mandate and realisation of strategic goals and objectives as per the integrated development plan. This was due to the lack of development and implementation of proper performance planning and management practices to provide for the development of performance indicators and targets included in the annual integrated development plan. There were no indicators or targets included in the integrated development plan or service delivery budget implementation plan.

## **Reliability of information**

### **Reported performance not valid**

40. The National Treasury *FMPPi* requires that processes and systems which produce the indicator should be verifiable. I was unable to obtain all the information and explanations I considered necessary to satisfy myself as to the validity of the actual reported performance relevant to 100% of Water infrastructure, Sanitation, Electricity, Road and storm water, Waste management and refusal disposal, Local development and job creation, Education, Organizational infrastructure and assets and Financial management objectives. This was due to limitations placed on the scope of my work due to the municipality's records not permitting the application of alternative audit procedures.

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## Reported performance not complete

41. The National Treasury *FMPPI* requires that documentation addressing the systems and processes for identifying, collecting, collating, verifying and storing information be properly maintained. I was unable to obtain all the information and explanations I considered necessary to satisfy myself as to the completeness of the actual reported performance relevant to 100% of Water infrastructure, Sanitation, Electricity, Road and storm water, Waste management and refusal disposal, Local development and job creation, Education, Organizational infrastructure and assets and Financial management objectives. This was due to limitations placed on the scope of my work by the absence of the municipality's records not permitting the application of alternative audit procedures.

## Reported Performance not Accurate

42. The National Treasury *FMPPI* requires that documentation addressing the systems and processes for identifying, collecting, collating, verifying and storing information be properly maintained. I was unable to obtain all the information and explanations I considered necessary to satisfy myself as to the completeness of the actual reported performance relevant to 100% of Water infrastructure, Sanitation, Electricity, Road and storm water, Waste management and refusal disposal, Local development and job creation, Education, Organizational infrastructure and assets and Financial management objectives. This was due to limitations placed on the scope of my work by the absence of the institution's records not permitting the application of alternative audit procedures.

## Reported performance not Complete

43. The National Treasury *FMPPI* requires that documentation addressing the systems and processes for identifying, collecting, collating, verifying and storing information be properly maintained. I was unable to obtain all the information and explanations I considered necessary to satisfy myself as to the completeness of the actual reported performance relevant to 100% of Water infrastructure, Sanitation, Electricity, Road and storm water, Waste management and refusal disposal, Local development and job creation, Education, Organizational infrastructure and assets and Financial management objectives. This was due to limitations placed on the scope of my work by the absence of the institution's records not permitting the application of alternative audit procedures.

## Compliance with laws and regulations

44. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA are as follows:

## Expenditure management

45. The accounting officer did not take effective steps to prevent unauthorised, irregular and fruitless and wasteful expenditure, as per the requirements of section 62(1)(d) of the MFMA.
46. Money owing by the municipality was not always paid within 30 days of receiving an invoice or statement, as required by section 65(2)(e) of the MFMA.

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## **Annual financial statements, performance and annual report**

47. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the Municipal Finance Management Act. Material misstatements of current assets, liabilities, expenditure, disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.
48. The annual performance report for the year under review does not include the performance of the municipality and a comparison with the previous financial year and measures taken to improve performance, as required by section 46 (1)(a) of the Municipal Systems Act.

## **Procurement and contract management**

49. Contracts and quotations were awarded to bidders based on points given for criteria that differed from those stipulated in the original invitation for bidding and quotations, in contravention of SCM Regulations 21(b) and 28(1)(a) and the Preferential Procurement Regulations.
50. Sufficient appropriate audit evidence could not be obtained that bids were evaluated by bid evaluation committees which were composed of officials from the departments requiring the goods or services and at least one SCM practitioner of the municipality as required by SCM regulation 28(2).
51. Bid specifications were not always drafted by bid specification committees which were composed of one or more officials of the municipality as required by SCM regulation 27(3).
52. Sufficient appropriate audit evidence could not be obtained that bid adjudication was always done by committees which were composed in accordance with SCM regulation 29(2).
53. Sufficient appropriate audit evidence could not be obtained that goods and services with a transaction value of below R200 000 were procured by means of obtaining the required price quotations, as required by SCM regulation 17(a) & (c).
54. Sufficient appropriate audit evidence could not be obtained that invitations for competitive bidding were advertised for a required minimum period of 14 days, as required by SCM regulation 22(1) & 22(2).
55. Sufficient appropriate audit evidence could not be obtained that construction contracts were awarded to contractors that were registered with the Construction Industry Development Board (CIDB) and qualified for the contract in accordance with section 18(1) of the CIDB Act and CIDB regulations 17 and 25(7A).

## **Asset Management**

56. An adequate management, accounting and information system which accounts for assets was not in place, as required by section 63(2)(a) of the MFMA.

## **Strategic and performance management**

57. The municipality did not give effect to its integrated development plan, as required by section 36 of the MSA and Municipal planning and performance management regulation 6.

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58. The municipal council did not review its integrated development plan annually in accordance with an assessment of its performance measurements in terms of section 41 and to the extent that changing circumstances demanded, as required by section 34 of the MSA and Municipal Planning and Performance Management Regulation 3.
59. The municipality did not establish a performance management system in line with the priorities, objectives, indicators and targets contained in its integrated development plan and did not clarify the roles and responsibilities of each role-player in the functioning of the system and did not determine the frequency of reporting and the lines of accountability for performance and did not relate to the municipality's performance management processes and did not provide for procedures by which the system is linked to the municipality's integrated development planning processes, as required by section 38 (a) of the Municipal Systems Act and Municipal Planning and Performance Management Regulation 7(2)(c/e/f/g).
60. The municipality did not establish mechanisms to monitor and review its performance management system, as required by section 40 of the MSA.
61. The municipality did not set appropriate key performance indicators as a yardstick for measuring performance, including outcomes and impact, with regard to the municipality's development priorities and objectives set out in its integrated development plan, set measurable performance targets with regard to each development priority and objective, monitor performance, with regard to each of those development priorities and objectives and against the key performance indicators and targets set and measure and review performance at least once per year, with regard to each of those development priorities and objectives and against the key performance indicators and targets set and take steps to improve performance with regard to those development priorities and objectives where performance targets are not met as required by section 41 of the MSA.

## **Audit committee**

62. The audit committee did not meet at least four times a year, as required by section 166(4)(b) of the MFMA.

## **Internal audit**

63. An internal audit unit was established, as required by section 165(1) of the Municipal Finance Management Act and was not fully capacitated.

## **INTERNAL CONTROL**

64. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the basis for qualified opinion, the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

## **Leadership**

65. Management does not always appropriately provide the required supervision and review *over* operations to ensure that the municipality complies with all laws and regulations and appoint the necessary skilled staff members. Action plans were developed, *however*, they were not fully implemented, hence the recurrence of findings identified in the prior year with regard to asset management and water related transactions not adequately monitored and reconciled frequently.

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## Financial and performance management

66. The municipal managers position and the chief financial officer's position has been vacant for 12 months. Due to the fact that various persons were acting in these positions during the financial year, the following deficiencies were identified:

- Proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting was not implemented.
- Regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information was not implemented.
- Design and implementation of formal controls over IT systems to ensure the reliability of the systems and the availability, accuracy and protection of information was not implemented.

## Governance

67. Management ineffectiveness in implementing recommendations from internal audit and external audit prevented the audit committee from promoting accountability and service delivery through evaluating and monitoring responses to risk and providing oversight over the effectiveness of the internal control environment, including financial and performance reporting and compliance.

Polokwane

18 December 2012

*Auditor - General.*



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

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## APPENDICES

### APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

COMMUNITY	ATTENDANCE	COUNCILLOR	%
09/09/11	0		100
14/10/11	1	Tshiguvho E.M.	99
16/11/11	1	Tshiguvho E.M.	99
CORPORATE	ATTENDANCE	COUNCILLOR	%
29/07/11	0		100
05/09/11	0		100
16/11/11	1	Ndobeni N.R.	99
13/03/12	0		100
08/06/12	1	Ndobeni N.R.	99
20/10/11 (SP)	0		100
31/01/12 (SP)	1	Ndobeni N.R.	99
27/02/12 (SP)	0		100
29/06/12 (SP)	1	Mashego B.G.	99
FINANCE	ATTENDANCE	COUNCILLOR	%
27/07/11	1	Seoka K.M.	99
08/09/11	0		100
13/10/11	0		100
16/11/11	1	Shalang L.J.	99
23/03/12	0		100
21/06/12	0		100
20/10/11 (SP)	1	Esson B.A.	99
31/01/12 (SP)	1	Ndobeni N.R.	99
27/02/12 (SP)	0		100
STRATEGIC PLANNING	ATTENDANCE	COUNCILLOR	%
28/07/11	0		100
12/10/11	0		100
16/11/11	0		100

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31/11/12	0		100
22/03/12	0		100
20/06/12	0		100
<b>TECHNICAL</b>	<b>ATTENDANCE</b>	<b>COUNCILLOR</b>	<b>%</b>
06/09/11	0		100
11/10/11	0		100
20/03/12	1	Bokaba H.S.M.	99
19/06/12	2	Monyamane E.M. Bokaba H.S.M.	98
16/11/11	0		100



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SURNAME NAME	Committees allocated	Ward Party	% Council meetings attended	Percentage For non attendance
BOKABA HSM	Technical p/f	ANC Ward	99	1
KEKANA MM	Finance p/f	ANC Ward	100	0
RANOTO P	Community p/f	ANC Ward	98	2
SEBOTHOMA OE	Technical p/f	ANC Ward	100	0
MATLALA M F	Strat plan p/f	ANC Ward	99	1
TSHIGUVHU E M	Community p/f	ANC Ward	98	2
MPHAHLELE LJ	Exco member full time	ANC Ward	100	0
MAKANYANE GN	Technical p/f	ANC Ward	100	0
NDOBENI N R	Corporate p/f	ANC Ward	98	2
MORWASWI ME	Corporate p/f	INDIPENDENT Ward	99	1
SEOKA KGAWAWANE	Finance p/f	ANC Ward	99	1
PHALA MG	Strat plan p/f	ANC Ward	100	0
MASHEGO BG	Corporate p/f	ANC Ward	98	2
CHAUKE MS	Community p/f	INDIPENDENT Ward	99	1
BOGOPA JH	Community p/f	ANC Ward	100	0
SEHLOLA ET	Strat plan p/f	ANC Ward	100	0
MMAKOLA MASHIMOLE YVONNE	Mayor full time Exco chair	ANC PR	99	1
KEKANA K.N	Speaker full time	ANC PR	100	0
RATAU MPHARE	Chief Whip full time	ANC PR	99	1
MABASO WELHEMINA	Exco member full time	ANC PR	100	0
SEONO M.R	MPAC chair	ANC PR	98	2
MONYAMANE ELIAH	Exco member Technical p/f head	ANC PR	98	2
MAIBELO FRANK	Exco member Strategic plan p/f head	PAC PR	99	1
MAHLOBOGWANE SADI TABEA	Technical p/f	ANC PR	98	2
MODISHA LORRAIN BUSHY	Strat plan p/f	ANC PR	99	1
MAMOGOBO SINAH COLDLIVER	Corporate p/f	ANC PR	98	2
NCHABELENNG MAPUTLE JOHN	Strat plan p/f	COPE PR	100	0
ESSON BRUCE ARTHUR	Finance p/f	DA PR	98	2
PHEFADI MAGALANE GLADYS	Corporate p/f	DA PR	99	1
SHALANG LESOLO JACK	Finance p/f	MP PR	99	1
MOTSEPE JAMES SHOPENG	Community p/f	MP	100	0
SELAMOLELA MARIA KHOMOTSO	Technical p/f	MP PR	100	0

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## CONCERNING TA

A spreadsheet exists to compile attendance data

TA.1

## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral/Executive Committee) and purposes of committees

Corporate services portfolio committee	To consider recommendations from Exco relevant to Corporate services unit
Technical services portfolio committee	To consider recommendations from Exco relevant to Technical services unit
Finance portfolio committee	To consider recommendations from Exco relevant to Finance unit
Community services portfolio committee	To consider recommendations from Exco relevant to community services unit
Strategic Planning portfolio committee	To consider recommendations from Exco relevant to Strategic planning unit
Local labour forum	To consider issues regarding labour issues
Rules & Ethics committee	To consider issues regarding rules and ethics
MPAC	Oversight role including oversight report for annual report
Audit committee	To perform duties i.t.o section 166 of MFMA

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## APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

DIRECTORATE	Director/Manager(state title and name)
Municipal Manager	Mr M Lekola (Acting)
Corporate service	Mr M Lekola
Community Services	Mr L Makopo
Finance	Mr C Makgopa(Acting)
Technical Services	Mr D Rankwe
Strategic Planning	Mr B P Marais(Acting)

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## APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Function	Municipal Authority	District Authority	Remarks
1.Air Pollution	Yes		
2.Building regulations	Yes		
3.Child care facilities	Yes		
4.Electricity reticulation	Yes for Marble Hall town		Eskom reticulate rest of municipality
5.Fire fighting	No(see remarks)	Yes	Provide function on behalf of district
6.Local tourism	Yes		
7.Municipal airport	Yes		
8.Municipal planning	Yes		
9.Municipal Health Service	No(see remarks)		Provide function on behalf of GSDM
10.Municipal Public Transport	Yes		Bus & Taxi rank in private ownership
11.Pontoons & Ferries	Yes		
12.Storm water	Yes		
13.Trading regulations	Yes		
14.Water (potable)	No(see remarks)	Yes	Provide function on behalf of District for Marble Hall town, Leeuwfontein and Zamenkomst
15.Sanitation	No(see remarks)	Yes	Provide function on behalf of District for Marble Hall town, Leeuwfontein and Zamenkomst
16.Beaches and amusement facilities	Yes		
17.Billboards and the display of advertisements in public places	Yes		
18.Cemetries,funeral parlours and crematoria	Yes		
19.Cleansing	Yes		
20.Control of public nuisance	Yes		

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21.Control of undertakings that sell liquor to the public	Yes		
22.Facilities for the accommodation, care and burial of animals	Yes		
23.Fencing and fences	Yes		
24.Licensing of dogs	Yes		
25.Licensing and control of undertakings that sell food to the public	Yes		
26.Local amenities	Yes		
27.Local sports facilities	Yes		
28.Markets	Yes		
29.Municipal Abattoirs	Yes		
30.Municipal parks and recreation	Yes		
31.Municipal roads	Yes		
32.Noise pollution	Yes		
33.Pounds	Yes		
34.Public places	Yes		
35.Refuse removal refuse dumps and solid waste disposal	Yes		
36.Street trading	Yes		
37.Street lighting	Yes		
38.Traffic and parking	Yes		
39.Registration authority	Yes		

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## APPENDIX E – WARD REPORTING

Ward No	01			
Ward Councilor Name	Bokaba Hendric			
	Yes	No	Statistics	Comments
1. Number of ward committee management meetings held and percentage attendance by members	X		Number: 3 Percentage: 100%	Members attended every meeting according to the attendants register.
2. Number of community meetings organized by the ward committee and percentage attendance by the ward community	X		Number : 2 Percentage: 50%	Community meetings are convened as per village due to vastness of the ward.
3. Submission and tabling of ward reports and plans to the council coverings: needs and priorities for the ward, feedback on the performance on the councils various line/service functions and their impact		x		Not yet, priorities and needs are included in the IDP for Council consideration and implementation if funds are available.
4. Number of door to door campaigns and/or interactions with sub structures including street committees		x		No reports
5. Number of complaints, queries and requests registered from the community and attended to (checklist of met needs against registered needs and turn-around time)		x		The new reporting template starting from July will include complains, queries etc.
6. Distributed publications (information brochure, flyers, newsletters emails, sms, and others)over a period of time	X			When needs arises for distribution, it is done effectively.
7. Management and updating of ward profiles and database of indigent households	X	Indigent - No		Ward profiles are updated, but the indigent database update will start soon. Workshop on how to register indigents was held in partnership with Provincial Treasury and Coghsta.
8. Participation in plans and programmes of municipalities and other spheres of government	X		100%	We have Speaker, Ward Councilor, Ward Secretaries and CDWs Forum

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impacting on the ward development and monitoring thereof				each quarter to discuss ward development and monitoring of service delivery.
9. Does the municipality budget for out of pocket expenses for ward committees and operational activities (revised funding model for ward committees).	X			Funding is only for the stipends, for other operational activities there is none. We are using the Ward Committee Support Grant.
GENERAL COMMENTS: Budget for other operational activities to be clarified and be allocated.				

Ward No	02			
Ward Councilor Name	Kekana M M			
	Yes	No	Statistics	Comments
10. Number of ward committee management meetings held and percentage attendance by members	X		Number: 3 Percentage: 100%	Members are attending and one member was replaced due to employment in the municipality.
11. Number of community meetings organized by the ward committee and percentage attendance by the ward community	X		Number : 1 Percentage: 50%	Community meetings are convened as per village due to vastness of the ward.
12. Submission and tabling of ward reports and plans to the council coverings: needs and priorities for the ward, feedback on the performance on the councils various line/service functions and their impact		x		Not yet, priorities and needs are included in the IDP for Council consideration and implementation if funds are available.
13. Number of door to door campaigns and/or interactions with sub structures including street committees		x		No reports
14. Number of complaints, queries and requests registered from the community and attended to (checklist of met needs against registered needs and turn-around time)		x		The new reporting template starting from July will include complains, queries etc.
15. Distributed publications (information	X			When needs arises for distribution, it is done

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brochure, flyers, newsletters emails, sms, and others)over a period of time				effectively.
16. Management and updating of ward profiles and database of indigent households	X	Indigent - No		Ward profiles are updated, but the indigent database update will start soon. Workshops on how to register the indigents were held in partnership with Provincial Treasury and Coghsta, waiting for the amendment of the Indigent Support Policy.
17. Participation in plans and programmes of municipalities and other spheres of government impacting on the ward development and monitoring thereof	X		100%	We have Speaker, Ward Councillor, Ward Secretaries and CDWs Forum each quarter to discuss ward development and monitoring of service delivery.
18. Does the municipality budget for out of pocket expenses for ward committees and operational activities (revised funding model for ward committees).	X			Funding is only for the stipends, for other operational activities there is none. We are using the Ward Committee Support Grant
GENERAL COMMENTS: Budget for other operational activities to be clarified and be allocated.				

Ward No	03			
Ward Councilor Name	Ranoto Philemon			
	Yes	No	Statistics	Comments
19. Number of ward committee management meetings held and percentage attendance by members	X		Number: 3	Members attended every meeting according to the attendants register.
			Percentage: 100%	
20. Number of community meetings organized by the ward committee and percentage attendance by the ward community	X		Number : 1	Community meetings are convened as per village due to vastness of the ward.
			Percentage: 50%	
21. Submission and tabling of ward reports and plans to the council coverings: needs and priorities for		X		Not yet, priorities and needs are included in the IDP for Council consideration and implementation if funds are available.



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the ward, feedback on the performance on the councils various line/service functions and their impact				
22. Number of door to door campaigns and/or interactions with sub structures including street committees		X		No reports
23. Number of complaints, queries and requests registered from the community and attended to (checklist of met needs against registered needs and turn-around time)		X		The new reporting template starting from July will include complains, queries etc.
24. Distributed publications (information brochure, flyers, newsletters emails, sms, and others)over a period of time	X			When needs arises for distribution, it is done effectively.
25. Management and updating of ward profiles and database of indigent households	X	Indigent - No		Ward profiles are updated, but the indigent database update will start soon. Workshops on how to register indigents were held in partnership with Provincial Treasury and Coghsta.
26. Participation in plans and programmes of municipalities and other spheres of government impacting on the ward development and monitoring thereof	X		100%	We have Speaker, Ward Councillor, Ward Secretaries and CDWs Forum each quarter to discuss ward development and monitoring of service delivery.
27. Does the municipality budget for out of pocket expenses for ward committees and operational activities (revised funding model for ward committees).	X			Funding is only for the stipends, for other operational activities there is none. We are using the Ward Committee Support Grant.

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## GENERAL COMMENTS:

Budget for other operational activities clarified and be allocated.

Ward No	04			
Ward Councilor Name	Sebothoma Engenas Oupa			
	Yes	No	Statistics	Comments
28. Number of ward committee management meetings held and percentage attendance by members	X		Number: 3 Percentage: 98%	Members are attending except one who claim he is not receiving invitations.
29. Number of community meetings organized by the ward committee and percentage attendance by the ward community	X		Number : 1 Percentage: 50%	Community meetings are convened as per village due to vastness of the ward.
30. Submission and tabling of ward reports and plans to the council coverings: needs and priorities for the ward, feedback on the performance on the councils various line/service functions and their impact		x		Not yet, priorities and needs are included in the IDP for Council consideration and implementation if funds are available.
31. Number of door to door campaigns and/or interactions with sub structures including street committees		x		No reports
32. Number of complaints, queries and requests registered from the community and attended to (checklist of met needs against registered needs and turn-around time)		x		The new reporting template starting from July will include complains, queries etc.
33. Distributed publications (information brochure, flyers, newsletters emails, sms, and others)over a period of time	X			When needs arises for distribution, it is done effectively.

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34. Management and updating of ward profiles and database of indigent households	X	Indigent - No		Ward profiles are updated, but the indigent database update will start soon. Workshops on how to register indigents were held in partnership with Provincial Treasury and Coghsta, still waiting for the amendment of the Indigent Support Policy.
35. Participation in plans and programmes of municipalities and other spheres of government impacting on the ward development and monitoring thereof	X		100%	We have Speaker, Ward Councillor, Ward Secretaries and CDWs Forum each quarter to discuss ward development and monitoring of service delivery.
36. Does the municipality budget for out of pocket expenses for ward committees and operational activities (revised funding model for ward committees).	X			Funding is only for the stipends, for other operational activities there is none. We are using the Ward Committee Support Grant even for the training.

## GENERAL COMMENTS:

Budget for other operational activities to be clarified and be allocated.

Ward No	05			
Ward Councilor Name	Tshiguvho E M			
	Yes	No	Statistics	Comments
37. Number of ward committee management meetings held and percentage attendance by members	X		Number: 3	Members attended every meeting according to the attendants register.
			Percentage: 100%	
38. Number of community meetings organized by the ward committee and percentage attendance by the ward community	X		Number : 2	Community meetings are convened and in the farms door to door is done.
			Percentage: 50%	
39. Submission and tabling of ward reports and plans to the council coverings: needs and priorities		x		Not yet, priorities and needs are included in the IDP for Council consideration and implementation if funds are available.

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for the ward, feedback on the performance on the councils various line/service functions and their impact				
40. Number of door to door campaigns and/or interactions with sub structures including street committees		x		No reports
41. Number of complaints, queries and requests registered from the community and attended to (checklist of met needs against registered needs and turn-around time)		x		The new reporting template starting from July will include complains, queries etc.
42. Distributed publications (information brochure, flyers, newsletters emails, sms, and others)over a period of time	X			When needs arises for distribution, it is done effectively.
43. Management and updating of ward profiles and database of indigent households	X	Indigent - No		Ward profiles are updated, but the indigent database update will start soon. Workshops on how to register indigents were held in partnership with Provincial Treasury and Coghsta, still waiting for the amendment of the Indigent Support Policy.
44. Participation in plans and programmes of municipalities and other spheres of government impacting on the ward development and monitoring thereof	X		100%	We have Speaker, Ward Councillor, Ward Secretaries and CDWs Forum each quarter to discuss ward development and monitoring of service delivery.
45. Does the municipality budget for out of pocket expenses for ward committees and operational activities (revised funding model for ward committees).	X			Funding is only for the stipends, for other operational activities there is none. We are using the Ward Committee Support Grant, even for the training logistics.

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## GENERAL COMMENTS:

Budget for other operational activities to be clarified and be allocated.

Ward No	06			
Ward Councilor Name	Matlala M F			
	Yes	No	Statistics	Comments
46. Number of ward committee management meetings held and percentage attendance by members	X		Number: 3	Members attended every meeting according to the attendants register. One member passed on and was successfully replaced.
			Percentage: 100%	
47. Number of community meetings organized by the ward committee and percentage attendance by the ward community	X		Number : 1	Community meetings are convened as per village due to vastness of the ward.
			Percentage: 50%	
48. Submission and tabling of ward reports and plans to the council coverings: needs and priorities for the ward, feedback on the performance on the councils various line/service functions and their impact		x		Not yet, priorities and needs are included in the IDP for Council consideration and implementation if funds are available.
49. Number of door to door campaigns and/or interactions with sub structures including street committees		x		No reports
50. Number of complaints, queries and requests registered from the community and attended to (checklist of met needs against registered needs and turn-around time)		x		The new reporting template starting from July will include complains, queries etc.
51. Distributed publications (information brochure, flyers, newsletters emails, sms, and others)over a period of time	X			When needs arises for distribution, it is done effectively.

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52. Management and updating of ward profiles and database of indigent households	X	Indigent - No		Ward profiles are updated, but the indigent database update will start soon. Workshops on how to register indigents were held in partnership with Provincial Treasury and Coghsta, still waiting for the amendment of the Indigent Support Policy.
53. Participation in plans and programmes of municipalities and other spheres of government impacting on the ward development and monitoring thereof	X		100%	We have Speaker, Ward Councillor, Ward Secretaries and CDWs Forum each quarter to discuss ward development and monitoring of service delivery.
54. Does the municipality budget for out of pocket expenses for ward committees and operational activities (revised funding model for ward committees).	X			Funding is only for the stipends, for other operational activities there is none. We are using the Ward Committee Support Grant even for the training logistics.

## GENERAL COMMENTS:

Budget for other operational activities to be clarified and be allocated.

Ward No	07			
Ward Councilor Name	Mphahlele L J			
	Yes	No	Statistics	Comments
55. Number of ward committee management meetings held and percentage attendance by members	X		Number: 3	Members attended every meeting according to the attendants register.
			Percentage: 100%	
56. Number of community meetings organized by the ward committee and percentage attendance by the ward community	X		Number :	The ward is in the town, it is not easy to assemble business people but ward committee members are attending. There is improvement in the attendants as meetings are held in the evening.
			Percentage: 50%	
57. Submission and tabling of ward reports and plans to the council coverings: needs and priorities		x		Not yet, priorities and needs are included in the IDP for Council consideration and implementation if funds are available. Business

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for the ward, feedback on the performance on the councils various line/service functions and their impact				Chamber used to forward their plans reports direct to the council.
58. Number of door to door campaigns and/or interactions with sub structures including street committees		x		No reports
59. Number of complaints, queries and requests registered from the community and attended to (checklist of met needs against registered needs and turn-around time)		x		The new reporting template starting from July will include complains, queries etc.
60. Distributed publications (information brochure, flyers, newsletters emails, sms, and others)over a period of time	X			When needs arises for distribution, it is done effectively.
61. Management and updating of ward profiles and database of indigent households	X	Indigent - No		Ward profiles are updated, but the indigent database update will start soon. Workshops on how to register indigents were held in partnership with Provincial Treasury and Coghsta, still waiting for the amendment of the Indigent Support Policy.
62. Participation in plans and programmes of municipalities and other spheres of government impacting on the ward development and monitoring thereof	X		100%	We have Speaker, Ward Councillor, Ward Secretaries and CDWs Forum each quarter to discuss ward development and monitoring of service delivery.
63. Does the municipality budget for out of pocket expenses for ward committees and operational activities (revised funding model for ward committees).	X			Funding is only for the stipends, for other operational activities there is none. We are using the Ward Committee Support Grant even for the training logistics.

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## GENERAL COMMENTS:

Budget for other operational activities to be clarified and be allocated.

Ward No	08			
Ward Councilor Name	Makanyane G N			
	Yes	No	Statistics	Comments
64. Number of ward committee management meetings held and percentage attendance by members	X		Number: 3	Members attended every meeting according to the attendants register.
			Percentage: 100%	
65. Number of community meetings organized by the ward committee and percentage attendance by the ward community	X		Number : 1	Community meetings are convened. The ward is a proclaimed township.
			Percentage: 50%	
66. Submission and tabling of ward reports and plans to the council coverings: needs and priorities for the ward, feedback on the performance on the councils various line/service functions and their impact		X		Not yet, priorities and needs are included in the IDP for Council consideration and implementation if funds are available.
67. Number of door to door campaigns and/or interactions with sub structures including street committees		X		No reports
68. Number of complaints, queries and requests registered from the community and attended to (checklist of met needs against registered needs and turn-around time)		X		The new reporting template starting from July will include complains, queries etc.



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69. Distributed publications (information brochure, flyers, newsletters emails, sms, and others) over a period of time	X			When needs arises for distribution, it is done effectively.
70. Management and updating of ward profiles and database of indigent households	X	Indigent - No		Ward profiles are updated, but the indigent database update will start soon. Workshops were held in all the wards in partnership with Provincial Treasury, Coghsta and Municipality on how to register indigent, still waiting for the amendment of the policy.
71. Participation in plans and programmes of municipalities and other spheres of government impacting on the ward development and monitoring thereof	X		100%	We have Speaker, Ward Councillor, Ward Secretaries and CDWs Forum each quarter to discuss ward development and monitoring of service delivery.
72. Does the municipality budget for out of pocket expenses for ward committees and operational activities (revised funding model for ward committees).	X			Funding is only for the stipends, for other operational activities there is none. We are using the Ward Committee Support Grant even for the training logistics.

## GENERAL COMMENTS:

Budget for other operational activities to be clarified and be allocated.

Ward No	09			
Ward Councilor Name	Ndobeni N R			
	Yes	No	Statistics	Comments
73. Number of ward committee management meetings held and percentage attendance by members	X		Number: 3	Members attended every meeting according to the attendants register.
			Percentage: 100%	

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74. Number of community meetings organized by the ward committee and percentage attendance by the ward community	X		Number : 1	Community meetings are convened as per village due to vastness of the ward.
			Percentage: 50%	
75. Submission and tabling of ward reports and plans to the council coverings: needs and priorities for the ward, feedback on the performance on the councils various line/service functions and their impact		x		Not yet, priorities and needs are included in the IDP for Council consideration and implementation if funds are available.
76. Number of door to door campaigns and/or interactions with sub structures including street committees		x		No reports
77. Number of complaints, queries and requests registered from the community and attended to (checklist of met needs against registered needs and turn-around time)		x		The new reporting template starting from July will include complains, queries etc.
78. Distributed publications (information brochure, flyers, newsletters emails, sms, and others)over a period of time	X			When needs arises for distribution, it is done effectively.
79. Management and updating of ward profiles and database of indigent households	X	Indigent - No		Ward profiles are updated, but the indigent database update will start soon. Workshops were held in all the wards in partnership with Provincial Treasury and Coghsta on how to register indigents, waiting for the amendment of the policy.
80. Participation in plans and programmes of municipalities and other spheres of government impacting on the ward	X		100%	We have Speaker, Ward Councillor, Ward Secretaries and CDWs Forum each quarter to discuss ward development and monitoring of service delivery.

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development and monitoring thereof				
81. Does the municipality budget for out of pocket expenses for ward committees and operational activities (revised funding model for ward committees).	X			Funding is only for the stipends, for other operational activities there is none. We are using the Ward Committee Support Grant even for the training logistics.
GENERAL COMMENTS: Budget for other operational activities to be clarified and be allocated.				

Ward No	10			
Ward Councilor Name	Morwaswi M E			
	Yes	No	Statistics	Comments
82. Number of ward committee management meetings held and percentage attendance by members	X		Number: 3	Members attended every meeting according to the attendants register. Two ward committee members were successfully replaced to due to work commitments.
			Percentage: 100%	
83. Number of community meetings organized by the ward committee and percentage attendance by the ward community	X		Number : 1	Community meetings are convened as per village due to vastness of the ward.
			Percentage: 50%	
84. Submission and tabling of ward reports and plans to the council coverings: needs and priorities for the ward, feedback on the performance on the councils various line/service functions and their impact		X		Not yet, priorities and needs are included in the IDP for Council consideration and implementation if funds are available.
85. Number of door to door campaigns and/or interactions with sub structures including street committees		X		No reports
86. Number of complaints, queries and requests registered from the		X		The new reporting template starting from July will include complains, queries etc.

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community and attended to (checklist of met needs against registered needs and turn-around time)				
87. Distributed publications (information brochure, flyers, newsletters emails, sms, and others)over a period of time	X			When needs arises for distribution, it is done effectively.
88. Management and updating of ward profiles and database of indigent households	X	Indigent - No		Ward profiles are updated, but the indigent database update will start soon. Workshops were held in partnership with Provincial Treasury and Coghsta on how to register indigents, waiting for the amendment of the policy.
89. Participation in plans and programmes of municipalities and other spheres of government impacting on the ward development and monitoring thereof	X		100%	We have Speaker, Ward Councillor, Ward Secretaries and CDWs Forum each quarter to discuss ward development and monitoring of service delivery.
90. Does the municipality budget for out of pocket expenses for ward committees and operational activities (revised funding model for ward committees).	X			Funding is only for the stipends, for other operational activities there is none. We are using the Ward Committee Support Grant even for the training logistics.
GENERAL COMMENTS: Budget for other operational activities clarified and be allocated.				

Ward No	11			
Ward Councilor Name	Seoka K M			
	Yes	No	Statistics	Comments

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91. Number of ward committee management meetings held and percentage attendance by members	X		Number: 3	Members attended every meeting according to the attendants register. Two members relieved themselves due to work commitment but not yet replaced.
			Percentage: 100%	
92. Number of community meetings organized by the ward committee and percentage attendance by the ward community	X		Number : 1	Community meetings are convened as per village due to vastness of the ward.
			Percentage: 50%	
93. Submission and tabling of ward reports and plans to the council coverings: needs and priorities for the ward, feedback on the performance on the councils various line/service functions and their impact		x		Not yet, priorities and needs are included in the IDP for Council consideration and implementation if funds are available.
94. Number of door to door campaigns and/or interactions with sub structures including street committees		x		No reports
95. Number of complaints, queries and requests registered from the community and attended to (checklist of met needs against registered needs and turn-around time)		x		The new reporting template starting from July will include complains, queries etc.
96. Distributed publications (information brochure, flyers, newsletters emails, sms, and others)over a period of time	X			When needs arises for distribution, it is done effectively.
97. Management and updating of ward profiles and database of indigent households	X	Indigent - No		Ward profiles are updated, but the indigent database update will start soon. Workshops were held in partnership with Provincial Treasury and Coghsta on how to register indigents, waiting for the amendment of the policy.

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98. Participation in plans and programmes of municipalities and other spheres of government impacting on the ward development and monitoring thereof	X		100%	We have Speaker, Ward Councillor, Ward Secretaries and CDWs Forum each quarter to discuss ward development and monitoring of service delivery.
99. Does the municipality budget for out of pocket expenses for ward committees and operational activities (revised funding model for ward committees).	X			Funding is only for the stipends, for other operational activities there is none. We are using Ward Committee Support Grant even for the training logistics.
GENERAL COMMENTS: Budget for other operational activities clarified and be allocated.				

Ward No	12			
Ward Councilor Name	Phala G M			
	Yes	No	Statistics	Comments
100.Number of ward committee management meetings held and percentage attendance by members	X		Number: 3	Members attended every meeting according to the attendants register.
			Percentage: 100%	
101.Number of community meetings organized by the ward committee and percentage attendance by the ward community	X		Number : 1	Community meetings are convened as per village due to vastness of the ward.
			Percentage: 50%	
102.Submission and tabling of ward reports and plans to the council coverings: needs and priorities for the ward, feedback on the performance on the		x		Not yet, priorities and needs are included in the IDP for Council consideration and implementation if funds are available.

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councils various line/service functions and their impact				
103.Number of door to door campaigns and/or interactions with sub structures including street committees		x		No reports
104.Number of complaints, queries and requests registered from the community and attended to (checklist of met needs against registered needs and turn-around time)		x		The new reporting template starting from July will include complains, queries etc.
105.Distributed publications (information brochure ,flyers, newsletters emails, sms, and others)over a period of time	X			When needs arises for distribution, it is done effectively.
106.Management and updating of ward profiles and database of indigent households	X	Indigent - No		Ward profiles are updated, but the indigent database update will start soon. Workshops were held in partnership with Provincial Treasury and Coghsta, waiting for the amendment of the policy.
107.Participation in plans and programmes of municipalities and other spheres of government impacting on the ward development and monitoring thereof	X		100%	We have Speaker, Ward Councillor, Ward Secretaries and CDWs Forum each quarter to discuss ward development and monitoring of service delivery.
108.Does the municipality budget for out of pocket expenses for ward committees and operational activities (revised funding model for ward committees).	X			Funding is only for the stipends, for other operational activities there is none. We are using Ward Committee Support Grant even for the training logistics.
GENERAL COMMENTS: Budget for other operational activities clarified and be allocated.				

Ward No	13			
Ward Councilor Name	Mashego Baganang Grace			
	Yes	No	Statistics	Comments
109.Number of ward committee management meetings held and percentage attendance by members	X		Number: 3	Members attended every meeting according to the attendants register.
			Percentage: 100%	

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110.Number of community meetings organized by the ward committee and percentage attendance by the ward community	X		Number : 1	Community meetings are convened as per village due to vastness of the ward.
			Percentage: 50%	
111.Submission and tabling of ward reports and plans to the council coverings: needs and priorities for the ward, feedback on the performance on the councils various line/service functions and their impact		X		Not yet, priorities and needs are included in the IDP for Council consideration and implementation if funds are available.
112.Number of door to door campaigns and/or interactions with sub structures including street committees		X		No reports
113.Number of complaints, queries and requests registered from the community and attended to (checklist of met needs against registered needs and turn-around time)		X		The new reporting template starting from July will include complains, queries etc.
114.Distributed publications (information brochure ,flyers, newsletters emails, sms, and others)over a period of time	X			When needs arises for distribution, it is done effectively.
115.Management and updating of ward profiles and database of indigent households	X	Indigent – No		Ward profiles are updated, but the indigent database update will start soon. Workshops were held in partnership with Provincial Treasury and Cogesta on how to register indigents, still waiting for amendment of the policy.
116.Participation in plans and programmes of municipalities and other spheres of government impacting on the ward development and monitoring thereof	X		100%	We have Speaker, Ward Councillor, Ward Secretaries and CDWs Forum each quarter to discuss ward development and monitoring of service delivery.
117.Does the municipality budget for out of pocket expenses for ward committees and operational activities (revised funding model for ward committees).	X			Funding is only for the stipends, for other operational activities there is none. We are using the Ward Committee Support Grant even for the training.
GENERAL COMMENTS:				



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Budget for other operational activities clarified and be allocated.

Ward No	14			
Ward Councilor Name	Chauke Mashango Samuel			
	Yes	No	Statistics	Comments
118.Number of ward committee management meetings held and percentage attendance by members	X		Number: 3	Members attended every meeting according to the attendants register.
			Percentage: 100%	
119.Number of community meetings organized by the ward committee and percentage attendance by the ward community	X		Number : 1	Community meetings are convened as per village due to vastness of the ward.
			Percentage: 50%	
120.Submission and tabling of ward reports and plans to the council coverings: needs and priorities for the ward, feedback on the performance on the councils various line/service functions and their impact		X		Not yet, priorities and needs are included in the IDP for Council consideration and implementation if funds are available.
121.Number of door to door campaigns and/or interactions with sub structures including street committees		X		No reports
122.Number of complaints, queries and requests registered from the community and attended to (checklist of met needs against registered needs and turn-around time)		X		The new reporting template starting from July will include complains, queries etc.
123.Distributed publications (information brochures,flyers,newsletters emails,sms, and others)over a period of time	X			When needs arises for distribution, it is done effectively.
124.Management and updating of ward profiles and database of indigent households	X	Indigent – No		Ward profiles are updated, but the indigent database update will start soon. Workshops were held in partnership with Provincial Treasury and Coghsta on how to register indigents, still waiting for the policy amendment.

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125.Participation in plans and programmes of municipalities and other spheres of government impacting on the ward development and monitoring thereof	X		100%	We have Speaker, Ward Councillor, Ward Secretaries and CDWs Forum each quarter to discuss ward development and monitoring of service delivery.
126.Does the municipality budget for out of pocket expenses for ward committees and operational activities (revised funding model for ward committees).	X			Funding is only for the stipends, for other operational activities there is none. We are using the Ward Committee Support Grant even for training logistics.
GENERAL COMMENTS: Budget for other operational activities clarified and be allocated.				

Ward No	15			
Ward Councilor Name	Bogopa J H			
	Yes	No	Statistics	Comments
127.Number of ward committee management meetings held and percentage attendance by members	X		Number: 3	Members attended every meeting according to the attendants register.
			Percentage: 100%	
128.Number of community meetings organized by the ward committee and percentage attendance by the ward community	X		Number : 1	Community meetings are convened as per village due to vastness of the ward.
			Percentage: 50%	
129.Submission and tabling of ward reports and plans to the council coverings: needs and priorities for the ward, feedback on the performance on the councils various line/service functions and their impact		x		Not yet, priorities and needs are included in the IDP for Council consideration and implementation if funds are available.
130.Number of door to door campaigns and/or interactions with sub structures including street committees		x		No reports
131.Number of complaints, queries and requests registered from the community and attended to (checklist of met needs against registered needs		x		The new reporting template starting from July will include complains, queries etc.

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and turn-around time)				
132.Distributed publications (information brochures,flyers,newsletters emails,sms, and others)over a period of time	X			When needs arises for distribution, it is done effectively.
133.Management and updating of ward profiles and database of indigent households	X	Indigent - No		Ward profiles are updated, but the indigent database update will start soon. Workshops were held in partnership with Provincial Treasury and Coghsta on how to register indigents, still waiting policy amendment.
134.Participation in plans and programmes of municipalities and other spheres of government impacting on the ward development and monitoring thereof	X		100%	We have Speaker, Ward Councillor, Ward Secretaries and CDWs Forum each quarter to discuss ward development and monitoring of service delivery.
135.Does the municipality budget for out of pocket expenses for ward committees and operational activities (revised funding model for ward committees).	X			Funding is only for the stipends, for other operational activities there is none. We are using the Ward Committee Support Grant even for training logistics.
GENERAL COMMENTS: Budget for other operational activities clarified and be allocated.				

Ward No	16			
Ward Councilor Name	Sehlola E T			
	Yes	No	Statistics	Comments
136.Number of ward committee management meetings held and percentage attendance by members	X		Number: 3	Members attended every meeting according to the attendants register.
			Percentage: 100%	
137.Number of community meetings organized by the ward committee and percentage attendance by the ward community	X		Number : 1	Community meetings are convened as per village due to vastness of the ward.
			Percentage: 50%	
138.Submission and tabling of ward reports and plans to the council coverings: needs and priorities for the ward, feedback on the performance on the		x		Not yet, priorities and needs are included in the IDP for Council consideration and implementation if funds are available.

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councils various line/service functions and their impact				
139.Number of door to door campaigns and/or interactions with sub structures including street committees		x		No reports
140.Number of complaints, queries and requests registered from the community and attended to (checklist of met needs against registered needs and turn-around time)		x		The new reporting template starting from July will include complains, queries etc.
141.Distributed publications (information brochure, flyers, newsletters emails, sms, and others)over a period of time	X			When needs arises for distribution, it is done effectively.
142.Management and updating of ward profiles and database of indigent households	X	Indigent - No		Ward profiles are updated, but the indigent database update will start soon. Workshops were held in partnership with Provincial Treasury and Coghsta, still waiting for policy amendment.
143.Participation in plans and programmes of municipalities and other spheres of government impacting on the ward development and monitoring thereof	X		100%	We have Speaker, Ward Councillor, Ward Secretaries and CDWs Forum each quarter to discuss ward development and monitoring of service delivery.
144.Does the municipality budget for out of pocket expenses for ward committees and operational activities (revised funding model for ward committees).	X			Funding is only for the stipends, for other operational activities there is none. We are using Ward Committee Support Grant even for the training logistics.
GENERAL COMMENTS: Budget for other operational activities clarified and be allocated.				

Generally the training is going as scheduled in all the wards although some of the members are not attending.

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## APPENDIX F – WARD INFORMATION

Ward no	Names of village
1	Driefontein and Malebitsa(Kwamatabana Vlakplaas)
2	Rathoke part and Uitvluht(Ga-Pota)
3	Metsanangwana(Keerom Makokomane),Mmakola(Doornlaagte Kloppe) and Spitspunt
4	Zamenkomst(Matlerekeng) and Rathoke(Part)
5	Matla-a-Ramoshebo(Toitskraal Matlala) part, Toitskraal Commercial farming,Other farming areas
6	Matla-a-Ramoshebo(Toitskraal Matlala) part,Mokgwaneng(Tweefontein Holdings)Mamaneng(Witfontein Holdings), Matatadibeng(Mahlakodisha), Tshikanosi(Leeukuil).Ditholong and Toitskraal Agri Holdings(Matswayaneng Kgomotlou)
7	Marble Hall,Farming areas and Moosrivier
8	Leeuwfontein A (Moganyaka) and Leeuwfontein A Ext 1 RDP
9	Moganyaka North(Brakfontein A Kgosing),Moganyaka South(Brakfontein B New Stand andManapyane(Leeuwfontein B, Manapsane)
10	MakgatleA(Makharankana Mmakgabe/Klipspruit),MakgatleB(Makharankana Mmakgabe/Klipspruit) and Mamphokgo(Rietvallei)
11	Ragaphela(Rakgwadi, Mohlalaotwane/Vooruitsig), Moeding(Welgelegen, Saliesloof)Selebaneng(Ramoroke),Puleng(Paardenzoek),Puleng B(Masanteng, Paardenzoek)Matilu(Klipkloof),Goru(Makhutse),Ga-Matlala and Makhutso

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12	Legolaneng(part),Mabitsi A(Goedetrouw),Mabitsi B(Goedetrouw),Ngwalemong A(Buffelskloof)Ngwalemong B,Mmakgatle(12),(Ga-Hlopa, Klipspruit),Mmotwaneng,Serithing(Goedetrouw) and Vaalbank(Goedetrouw)
13	Doornspruit A(Greenside),Mohlotsi(Buffelsfontein A),Disanyane(Goedgedacht,Motseleope)Ga-Masha(Seruleng,Masha),Ga-Mmela(Monte Video),Gareagopola,Manotolwaneng(Ga-Ragopole)Kgaruththu(Frischgewaagd),Mathukhuthela A(Goedgedacht),Mathukhuthela B(Goedgedacht)Moomane(Goedehoop),Matseding and Tompi Seleka(Nyakelang, Arabie Agri College)
14	Dichoeung(Doornpoort) and Regae(Van der Merwes Kraal,Tsantsabela)
15	Elandskraal A(Sevenstad),Elandskraal A Ext 1,Weltevreden(Mbuzin) and Hinlopen(Morarela)
16	Rooibokkop,Ditholong(Lolamontes),Mogalatsana(Coetzeesdraai),Phetwane(Hindostan)Tsimanyane North(Goevertouwen),Tsimanyane South(Mooihoek) and Tsimanyane Ext(Mashemong)

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## APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2011/12

EPHRAIM MOGALE LOCAL MUNICIPALITY

ANNUAL AUDIT COMMITTEE REPORT



ANNUAL REPORT (2011/2012)

ANNUAL AUDIT COMMITTEE REPORT

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## 1. PURPOSE

This report will form part of the Annual Report 2011/12 (Appendix G).

## 2. BACKGROUND

Ephraim Mogale Local Municipality appointed the current audit committee on 01 November 2011. The Audit Committee was established in terms of section 166 of the Municipal Finance Management Act (MFMA).

### Statutory Requirements

Section 166 of the MFMA clearly states that each municipality to have an audit committee. The audit committee is an independent advisory body that advises council, political office bearers, accounting officer, and staff of the municipality on the following:

- Internal financial control and internal audits;
- Risk management;
- Accounting policies;
- The adequacy, reliability, and accuracy of financial reporting and information;
- Performance management
- Effective governance;
- Compliance with the MFMA, the annual Division of Revenue Act (DORA) and any other applicable legislation;
- Performance evaluation;
- Any other issues referred to by the municipality;

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- Review annual financial statements so as to provide authoritative and credible view of the financial position, on overall compliance with MFMA, DORA, and other pieces of relevant legislations.
- Respond to Council on any matter raised by the Auditor-General (AGSA);
- Carry out such investigations into financial affairs of the municipality as may be prescribed from time to time.

It is expected on a quarterly basis for the Audit Committee to review and advise municipal council on matters relating items listed above.

### 3. ATTENDANCE OF MEETINGS BY MEMBERS

The Audit Committee members were appointed on 01 November 2011 to serve as the Ephraim Mogale Local Municipality Audit Committee for the 2011/12 financial year. The Audit Committee held three meetings for the year under review and members attended as follows.

Adv. M J Ralefatane	Chairperson	3 Meetings Attended
Mr. V Chuene	Member	3 Meetings Attended
Adv. M O Nemugumoni	Member	3 Meetings Attended
Ms M J Ramataboe	Member	3 Meetings Attended
Mr Z Fihlani	Member	2 Meeting Attended

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## 4. INTERNAL AUDIT (IA)

The following matters were high-lighted as challenges during the year under review:

- Slow response by management in availing information to Internal Audit Unit and addressing Internal Audit findings. This hampers the effectiveness of the IA unit and the Audit Committee.
- Management not availing quarterly Audit Committee reports in time to the IA. This caused delays in submitting these reports to the Audit committee for the timeous and effective preparation for AC meetings. The AC charter stipulates that reports must be received seven days before the meetings.
- The AC recommended that the Municipal Manager addresses the delay in the submission of information.

### 4.1 Progress Report on Implementation of Internal Audit Findings

The recommendations below were high-lighted in during the two quarters:

- Unresolved Internal Audit findings are just as important as Auditor-General (AG) findings as these findings will eventually find their way into the AG audit report that will eventually translate into an emphasis of matter or cause an opinion to be qualified/disclaimer/adverse. The Audit Committee recommends that individual responsible directors/managers be held accountable for Internal Audit action plan items and that these be included as part of their performance agreements. Disciplinary measures should be taken by the Accounting Officer against directorates that fail to resolve audit findings.
- Fourteen(14) reports were tabled for consideration by AC:
  - PMS Information Report: The report high-lighted that there is no alignment between the Performance Agreements of Sec 57 employees with the SDBIP. AC recommended that these deviations must be addressed as it will hinder performance appraisals.

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## 4.2 Internal Audit Staffing

The Audit Committee has noted a significant staff shortage in the Internal Audit Unit and this shortage is making it difficult for the Audit Committee to function and fulfill its responsibilities as stated in the Audit Committee charter and section 166 of Municipal Finance Management Act. .

## 5. AUDITOR-GENERAL 2011/2012 AFS AUDIT PROCESS

In a meeting held with the OAG, it was reported that the Audit process unfolded without any challenges. The AG was concerned with the availability of key staff members and the turn-around time in submitting the requested information

## 6. RISK MANAGEMENT

Although Risk Management is a standing item on all Audit Committee meetings to report on risk management progress and its integration into the strategic planning process, no report on risk management was submitted to the Audit Committee except for the strategic risk assessment report for 2011/12 financial year.

In view of the above, the following recommendation as previously mentioned will stand:

- the establishment of Risk Management Committee, that will sit on quarterly basis;
- speedy filling up of positions in this unit;
- incorporate Risk Management into the performance agreements of senior managers; and
- Continuously engage with Provincial Treasury on issues of risk management.

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A survey should be conducted to assess the risk management maturity level of the Municipality. The outcomes of the survey indicate the necessary intervention to achieve the desired maturity level. Management is urged to continuously conduct risk awareness campaigns and workshops on at least on a quarterly basis.

The Audit Committee further recommends that RMC in the Municipality hold Risk Management Committee meetings that will provide the RMC adequate time to address both conceptual and practical risk issues before reporting to the AC. Up to date no risk management reports were tabled at AC meetings.

## 7. FINANCIAL OVERVIEW

### 7.1 Budget and Treasury Office

The Audit Committee is not satisfied with the performance of the unit. The department operated almost the entire period without the Chief Financial Officer. This led to the department failing to operate properly. Financial statements were submitted late to the Audit Committee for review and this led to most issues raised by the AC not being implemented on time before submitting to the Auditor General.

### 7.2 Supply Chain Management

The supply chain management policy needs to be reviewed and be tabled to the Council on an annual basis. The provisions of National Treasury MFMA circular 62 need to be captured in the policy. The critical issue of the involvement of the Internal Audit unit with SCM issues whilst not interfering with the independence of the unit needs to be explored.

The municipality needs to continuously capacitate the SCM unit in order to improve on the capital spending and service delivery. Tenders need to be monitored on the time taken from advert to completion of projects. It is recommended that:

- A procurement plan be developed and time frames to be respected;
- Monthly reports to be tabled at Mayoral Committee and remedial actions to be implemented in order to improve spending patterns.

## 7.3 Cash Flow management

On issues of debt outstanding for more than 60 days, the Audit Committee recommends that the money be collected as this is in contravention of the MFMA. The AC is not satisfied with the debt management on the overall.

There is a need to seriously monitor cash held in the call account, with a view of maximizing interest earned whilst not compromising the readily availability of funds when needed.

Management is urged to prepare a 12- month cash flow forecast that will serve as a management tool to assess and evaluate the future cash needs of the municipality. This will also assist the municipality to do forward planning with the aim of improving service delivery.

It is further recommended that the financial report to AC be enhanced with information relating to variances, comparative figures from quarterly budgeted amounts and remedial actions to be taken by management in attaining the budget as approved by Council. These improvements will assist the AC to effectively interpret the financial information and the financial position of the municipality at a given time.

## 8. INSTITUTIONAL PERFORMANCE OVERVIEW

For the year ended June 2012 the following issues are reported:

The slow spending on capital budget was high-lighted as a serious concern, only 63% of the capital budget was spent for the year and management cited supply chain procedure as the reason for under spending.

The internal policies and procedures over the processes pertaining to the reporting of performance information were inadequate. Performance objectives, targets and indicators reported on the report are not measurable, specific, time bound and even not relevant.

The position of the Municipal Manager has been vacant for unreasonable period. This hampered the progress on the performance of the Municipality.

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## 9. PROPOSED MEASURES TO BE IMPLEMENTED TO ENHANCE MUNICIPAL PERFORMANCE

The proposed measures to be implemented to: (These will remain until a Clean Audit is attained)

- achieve a hands on approach by all oversight structures of Council in facilitating activities and programs that will result in improved service delivery;
- to be able to attain clean audit by 2014;
- improve the quality of financial statements and supporting documentation; and,
- the strengthening of governance structures

No.	Measures	Due Date
1.	A properly constituted Audit Steering Committee to hold meetings throughout the year and constant feedback to be provided to the relevant portfolio committee chairpersons.	Monthly
2.	Action plans developed to address the root causes of findings contained in AG management report and audit report. Emphasis be made on shortened turnaround time on addressing AG findings Executive Mayor to be briefed on progress on resolving AG audit findings	Immediately after audit
3.	Council resolution is sought for timely submission of complete Audit Committee packs (quality checked by the Municipal Manager)	Immediately
4.	Council resolution to ensure Municipal Manager and CFO are consistent in attending Audit Committee meetings	Immediately
5.	Accounting records reconciled and suspense accounts cleared. Feedback provided to Finance Portfolio Chairperson	Monthly
6.	Quarterly financial statements submitted to the Audit Committee with substantiating working paper files	Quarterly
7.	Updated and reconciled asset registers	Monthly
8.	Asset verifications conducted as per policy (preferably twice per annum)	Ongoing
9.	Standardized financial management reporting system implemented in all	Immediately

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No.	Measures	Due Date
	municipality e.g. Caseware	
10.	Annual Financial Statements prepared and submitted to the Audit Committee for review timorously with substantiating working papers	Year-End reporting to AC ( August)
11.	Internal audit findings resolved timeously	Monthly
12.	Robust Cash flow management system that includes cash flow focus and prudent expenditure management (Accrual vs. real cash information provided)	Monthly
13.	Audit Committee recommendations/resolutions implemented timeously	Monthly
14.	Quarterly Audit Committee meetings held & attended by Municipal Manager/CFO and other senior managers	All quarterly AC meetings
15.	The following mechanisms need to be in place: Quarterly reporting to Council by the Audit Committee Regular interaction between the Audit Committee, MPAC and Portfolio Committees Tracking of Audit Committee resolutions by Portfolio Chairpersons and MPAC on a monthly basis Meetings with other oversight organs/stakeholders e.g. Provincial Treasury and COGHSTA	Quarterly
16.	Prompt filling of vacant positions of section 56 and 57 managers Prioritising of filling posts of Municipal Manager and Chief Financial Officer	Ongoing
17.	Risk Management Committees established and effective.	Immediately
18.	Risk Management Committees meetings held to effectively monitor the implementation of risk mitigation strategies.	Monthly
19.	Management to support and guide the IT Forum and also ensure that resolutions are implemented. IT should start to enable the municipality and not only be seen as a cost centre but more as an enabler of business.	Monthly
20.	Clean Audit Strategy supported at the level of Council.	Ongoing



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No.	Measures	Due Date
21.	Audit issues and action plan progress report to be a standing item on Management, EXCO and MPAC agendas.	Ongoing

## 10. Conclusion

The Audit Committee acknowledges the co-operation and assistance by the Municipality for co-coordinating the activities of the committee. The Audit Committee remains confident of these matters receiving due consideration and intervention. We are committed to fully execute our oversight function and in strengthening Corporate Governance.

## VOLUME II: ANNUAL FINANCIAL STATEMENTS

SEE STATEMENTS ATTACHED